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DIGITAL STRATEGIES FOR MARKET DOMINANCE: EMPIRICAL EVIDENCE FROM THE INSURANCE INDUSTRY

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Ai miei adorati nonni

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1. INTRODUCTION

1 Background

Today, the existence of numerous technological platforms and tools is changing the way customers choose to interact with firms. In this scenario, customers are provided to a variety of channels to capture firm's information, purchase products and services, share feedbacks and request assistance. In recent studies it is been recognized that however the call center continues to be the primary channel to interact with firms, the use of other channels such as email, chat, web self-service, social media, and mobile is increasing significantly (Aberdeen, 2012). Customers prefer these digital channels as they seek a more convenient and effective interaction with firms. Customer may use Internet or social media to obtain information about a firm or a product, and finally, they conclude their purchase in a physical store where they can find more effective information and feel comforted to execute the transaction. In this changing environment, firms strive to turn themselves into multi-channel[1] organizations implementing simultaneously different digital and offline channels to face the increasing customers demand for better and faster service (Sousa & Voss, 2006).

Previous research on multi-channel distribution stated that the addition of online channel into the preexistent distribution system increases the potential for cannibalization and dysfunctional channel conflict (Webb & Lambe, 2007), but exist many opportunities for firms that implement a multi-channel distribution system such as access to new market (new segments), improved customer satisfaction and creation of a strategic advantage (F. J. Coelho & Easingwood, 2004; Neslin & Shankar, 2009; Sharma & Mehrotra, 2007; Wallace, Giese, & Johnson, 2004; Zhang et al., 2010).

[1] In this dissertation we include with the term multi-channel the simultaneous usage of traditional and digital channels to interact with customers.

Multi-channel distribution enables firms to build lasting consumer relationship by offering to their customer information, product e/o services and support in all phase of the purchase cycle through different and synchronized channels (Rangaswamy & Bruggen, 2005). The multi-channel model may generate more sales and profit when channel benefits are well identified and integrated to provide service transactions across channels. Thus, the success of multichannel service bases on how companies capitalize optimizes digital touch points to interact with consumers.

2 Purpose of the thesis

While leverage digital channel to their existing mixes of traditional ones appears to be a firm's necessity just to stay competitive, new strategies need to be developed addressing the digitizing of firms business model to address changing environments.

The goal of this dissertation is to further develop my understanding of the impact of digital channels on multi-channel attribution and devise effective multi-channel strategies that increase synergy effects to reach consumers across channels.

To address the dissertation aim, I choose to focus the empirical analysis on insurance industry. This setting is particularly attractive to study the implementation and maintaining of multiple channels, because the insurance industry has undergone significant structural changes over the years due to the technological advancements occurring in the past decade and now operates in a dynamic environment. Traditionally, insurance companies deliver their services through brokers and agent, which in some markets are still predominant channels (i.e. Europe). The digital revolution is also investing this sector; forcing insurance companies to reconsider fundamental assumptions about how they reach their markets.

3 Structure and organization of the thesis

The thesis consists of four distinct parts that take different approaches to study the multi-channel distribution phenomenon and its implication on firm's strategies.

I start the analysis providing a portrayal of the global insurance market. I collected data from the most global important markets in term of premium written, assets and distribution channels to pinpoint the main differences and similarities within geographically distant markets. Additionally, I provide a description of the most disruptive technological trends investing insurance companies. Finally, I chose to focus the analysis only on the largest market in term of premiums written in life and non-life segment (i.e. Europe, USA, and Japan). For each market, I introduced the main trends regarding distribution models and I identified the best cases regarding the successful implementation of new technological channels.

The second paper inquires how managing seamless service transactions across channels impact competitive advantage. A great amount of literature has focused on multichannel distribution strategies but there is a little theory or systematic research on the relationship between multichannel strategy and competitive advantage. In this vein, scholars have called for specific research efforts to better understand how the use of digital, online and offline distribution channels could lead to sustainable competitive advantage (Neslin and Shankar 2009; Rosenbloom 2007; Zhang et al. 2010). Based on the dynamic capability and IT capability literature this paper aim to contribute to this body of knowledge by first conceptualizing a new IT capability named multichannel capability that is "the ability of an organization to effectively integrate and manage multiple distribution channels through data integration and coordination enabled by IT". To fill this gap, I conducted a quali-quantitative research design on Italian insurance markets. Analysis improves understanding of the phenomenon of the utilization of multiple channels, contributing to the dynamic capabilities,

IT capabilities and long-term competitive advantage literature. Research improves understanding of the main dimension of the theorized multichannel capability. The findings contribute to integrate past research by providing an explanation of how long term competitive advantage can be achieved by developing multichannel capability.

The third part examined the ways in which companies manage their reputation in social media, focusing on the role of communication strategies. A great amount of literature has focused on investigating the connection between corporate communication and corporate reputation (Furman, 2010; Otubanjo et al., 2010; Cuomo et al, 2013) but there is a little theory or systematic research on the link between firms' social media communication strategies and the formation of firms' reputations in an online environment (Rokka et al, 2013). To fill this gap, I employed a longitudinal explorative multiple-case study (Eisenhardt, 1989) in the Italian insurance industry.

The analysis led to the recognition that, among the various types of companies (high, medium, and low reputation), the differences in reputation are attributable to four basic dimensions: categories of communication strategies, the evolution of communication strategies across three years (2011-2013), the timing of interaction, and the number of interactions. Findings support the notion that social media are valuable tools in promoting the genuine values of the company (Aula, 2010; Carrol, 2013) subsequently impacting on corporate reputation (Bunting and Lipski, 2000; Furman, 2010; Otubanjo et al., 2010; Wiedmann and Prauschke, 2006). Additionally, the findings contribute to integrate past research on customer engagement (Brodie et al, 2011) by explaining how engaged customers can contribute to the long-term reputation of a firm because they create and disseminate information related to the firm through social media that can be used by other constituents.

In the fourth part, I examined the main difference between business models exploited by European insurance companies. A great amount of literature has focused on investigating the

business model concept in strategic management, information systems and innovation literature (Amit and Zott; 2001; Casadesus-Masanell and Ricart, 2010; Chesbrough & Rosenbloom, 2002; Morris et al., 2005; Osterwalder and Pigneur, 2002; Timmers, 1998; Zott and Amit, 2007) but there is a little theory or systematic research on business model in global competition. In how firms facing with multiple international markets strategies adopt "one for all" and while others opt for heterogeneous business models that work for multiple international market settlements is not fully understood.

This paper attempts to fill this gap by proposing a maturity model (Becker et al, 2009; Fraser et al, 2002; Pöppelbuß et al, 2011) that describes the progressive development of e-business model.

To respond to this research question, I employed a multiple case study in the European insurance market to show the e-business model levels of maturity of companies facing with multiple international markets strategies.

This research makes several contributions to business model literature. First of all, the maturity model theorized is able to capture nuances and differences of the e-business within the insurance companies. Secondly, I offer a tool that helps managers to identify strengths and weaknesses between e-business models and to develop a successful business model in different markets.

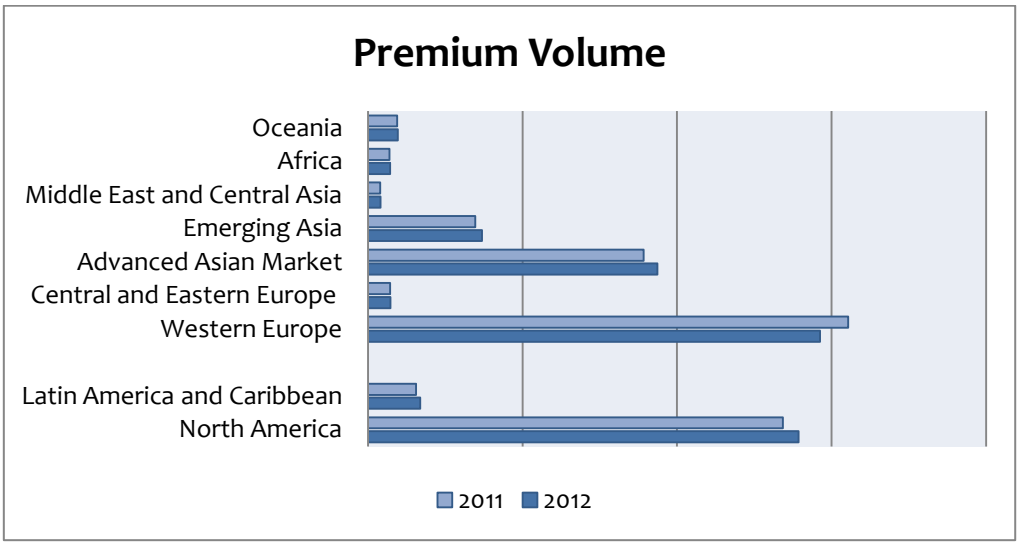
2 GLOBAL INSURANCE MARKET: KEY TRENDS AND CHALLENGES

1 Introduction

Recent years were characterized by unprecedented challenges. Ongoing uncertainty over volatile economic conditions continues to impact buyers of insurance products and services. Demographic shifts, the rise in power of the emerging markets, financial crisis, natural disaster and changing customer behavior help shape the sector's longer term future. Specifically, 2011 was distinguished by a high incidence of disasters and the ongoing financial and economic crisis. These events affected insurance industry to varying degrees across countries. This sector faces the following major trends and challenges: (a) demographic shifts, especially the presence of an ageing population in most developed countries; (b) the rise of emerging market (China, India, Brazil, Russia, Indonesia and Mexico); (c) changing customer behaviors mainly driven by the advancement of online and mobile technology; and d) new regulations and legislation (PWC, 2012). In particular, in Europe insurance companies are committed to the introduction of the new legislation (Solvency II) for the management of risk in the insurance sector and targeted to enhance the protection of consumers.

Despite the market condition described above, the global insurance industry reached a positive growth of 2 % of premium volumes (life and non life) in 2012 (see Table 1), after experiencing a decline by 3.3% in the previous years during both 2011 and 2010 (Market Line, 2012; Swiss Re, 2012).

Figure 1- Premium Volume 2011-2012



Source: Swiss Re, 2012

Table 1: Premium volume by region in 2012

Region	Premium Volume 2012 (millions of USD)	Premium Volume 2011 (millions of USD)
America	**1.562.153**	**1.497.703**
North America	1.393.416	1.342.502
Latin America and Caribbean	168.737	155.201
Europe	**1.535.176**	**1.625.442**
Western Europe	1.462.718	1.553.772
Central and Eastern Europe	72.458	71.670
Asia	**1.346.223**	**1.278.786**
Advanced Asian Market	935.958	892.195
Emerging Asia	369.364	346.816
Middle East and Central Asia	40.901	39.775
Africa	**71.891**	**69.274**
Oceania	**97.071**	**94.958**

Source: Swiss Re, 2012 data

Accordingly to the last Swiss Re report (Swiss Re, 2012), while the United States, Japan and UK will keep the top three spots, China ranked fourth, gaining 2 position compared to the previous year (see Table 2).

China is probably the most rapidly expanding insurance market in the world and probably the most important emerging market. Improvement of the China position is mostly due to the more stringent rules regarding bancassurance occurred in 2011 (Swiss Re, 2012)

Brazil and Taiwan continued to move up in rank, while Spain lost two positions, France and Germany only one.

Canada, Italy, Netherlands, South Korea and India maintain the same rank to the previous year.

Table 2- The World largest Insurance markets (Total Premium Volume in USD)

Rank 2012	Rank 2011	Country
1	1	United States
2	2	Japan
3	3	United Kingdom
4	6	China
5	4	France
6	5	Germany
7	7	Italy
8	8	South Korea
9	9	Canada
10	10	Netherlands
11	13	Taiwan
12	11	Australia
13	14	Brazil
14	12	Spain
15	15	India

Source: Swiss Re- data 2011, 2012

1.1 Life Segment

Global life insurance premiums witnessed an expansion of 4,9% after a period of decline in 2011 in all emerging markets. In advanced markets[2], the excellent performance in Asia and United States generated a growth by 1, 8%, whereas Western Europe continued to shrink. Moreover, some European countries experienced an intense contraction in life premiums (OECD, 2012) such as Portugal (-40%), Finland (30%), Italy (20%), Austria (10%), Estonia (10%), France (10%) and Ireland (10%). In Czech Republic, Slovak Republic, and Sweden, the decline was rather moderate. The demand for life insurance products was affected by strong competition from the banking industry, and by a desire among individuals to maintain liquidity given the adverse economic environment (OECD, 2012).

By contrast in the United States, the rise was guided by the growth of individual annuities and individual life policies because of attractive cash guarantees (OECD, 2012).

A remarkable premium growth of 8, 8% was registered by advanced Asian markets guided mainly by the Japanese individual life market and supported by the life market in Hong Kong, South Korea and Taiwan. Moreover, in Thailand life premiums continued to grow caused by renewals of ordinary life contracts (OECD, 2012). In China, a moderate premium growth was registered, driven mostly by individual life and annuity (OECD, 2012). As said before, Western Europe experienced a period of decline in 2012 (–3, 1%), but more moderated than the previous years (–9, 7%). The decline invested also advanced and stable market as Germany and France. In Western Europe, positive performances were registered by Benelux states and some Scandinavia markets. Oceania witnessed a contraction (-4, 9%) caused by a sharp decline of annuity products in Australia (OECD, 2012). In 2012, premiums expanded by 4, 9 % in emerging markets. Specifically, premiums continued to contract in India (–6.9% in 2012) but less than previous year, –9.6% in 2011. In Central and Eastern

[2] Advanced Markets include the following regions and countries: North America, Western Europe, Israel, Oceania, Japan, Korea, Hong Kong, Singapore and Taiwan. All other countries are classifies as “emerging”.

Europe, regulatory changes generate an increasing of 5, 1 % as premiums rise in Russia (46%), driven by credit-related products and in Poland (11%) caused by strong growth in the savings business (Swiss Re, 2012). Latin America witnessed a rise of premium by 17 % as well as in Africa (14%).

Table 3- Life insurance premium market

Country	*2010*	*2011*	*2012*	*Main Characteristics*
US	- 0, 6%	3,8 %	2,3 %	Growth of individual annuities
Canada	3, 9 %	1,8 %	2, 2 %	Growth of life product which guarantee fixed premiums and benefits.
UK	2,8 %	-2,5 %	10 %	Growth of life product which guarantee fixed premiums and benefits.
Japan	4, 6 %	8, 5 %	9.2%	Growth of individual life policies.
Australia	-0, 8%	5, 9%	-5, 3%	Decrease of annuity products.
France	2, 7%	-13, 0%	-8%	Decrease of single premium business, reflecting consumer uncertainty linked to the crisis.
Germany	6, 8%	-7, 1%.	0, 6%	Growth of Growth of disability and long-term care insurance.
Italy	9, 4%	-18 %	- 5, 5 &	Decrease of single premium business, reflecting consumer uncertainty linked to the crisis.
Spain	-10%	8, 6 %	-11%	Decline of all life product due to recession.
Advanced Markets	1, 6%	-2,5 %	1,8 %	Growth is still limited in many advanced regions due to the difficult economic situation.
Emerging Markets	10,9 %	-5 %	4, 9%	Growth is mainly driven by the positive performance in emerging Asia.

Source: Swiss Re, 2012 data

1.2 Non Life Segment

The non-life market offered more positive performance across countries, with less remarkable declines compared with the life sector (OECD, 2012). Effectively, total global non-life

premium continued to accelerate moderately, increasing by 2.6% in 2012 (2011: 1.9%), guided mostly by the emerging markets, that registered an expansion of 8.6% in 2012 (2011: 8.1%) (Swiss Re, 2012). On the other hand, advanced market growth picked up slightly to 1.5% (2011: 0.9%), denoting a continuous expanding for four consecutive years, after the crisis in 2008 (Swiss Re, 2012). Advanced Asian markets witnessed a growth of 5, 8 % guided mainly by the Japan, Hong Kong and Korea. Contrary to the life market, Oceania non-life premiums increase due to the positive performance in Australia (1, 8 %). Positive results were due to insurers attempted to recover the higher cost of reinsurance following natural catastrophe events in late 2010 and early 2011 (OECD, 2012). After the crisis in 2008, non-life premium growth declined in most advanced markets particularly in Western Europe. By contrast, in Belgium a moderate premium growth was registered (0, 7 %), driven by increased pricing across most non-life insurance classes (OECD, 2012).

While in North America average growth remained close to zero before and after the crisis, but in 2012 premium grew accelerated to 1.7%. Specifically, United States exhibited a positive expansion in personal and commercial segments, on the other hand, the title industry continued to be constrained by the housing crisis (OECD, 2012). In emerging markets, non-life premiums witnessed a stable growth of 8.6% in 2012 (2011: 8.1%). In Central and Eastern Europe the trade relations with Western Europe caused a negative average growth rate. By contrary, Poland exhibited positive performances (6, 7%) in non-life premiums, caused by motor third party liability, fire and natural forces and other damage and loss property segments (OECD, 2012). Premiums rate decreased also in Africa and the Middle East, however Latin America experienced a stable growth. In Mexico, for example, the growth was of 12%, driven by property and casualty insurance which grew by 24 percent, excluding motor insurance (OECD; 2012).

Table 4-Non-Life insurance premium market

Country	*2010*	*2011*	*2012*	*Main Characteristics*
US	-1, 2%	1, 5%	1, 7%	Expansion personal and commercial segments.
Canada	3,9 %	1, 8%	2,2 %	Growth of accident & health business.
UK	2,8 %	-2,5 %	-2%	Decrease mainly driven by the decline of motor insurance.
Japan	0, 5	3, 6%	3, 2%	Growth in property and motor lines.
Australia	2, 9%	-4, 7%	4, 9%	New regulation for the management of risk in the insurance sector
France	2, 5 %	2, 4%	1, 5%	Growth is mainly driven by motor insurance.
Germany	-1, 8%	2, 1%	1, 3%	Growth is mainly driven by motor insurance.
Italy	-3, 7%	-1, 3%	-4, 2%	Contraction of motor insurance driven by contraction on the number of new passenger car registrations.
Advanced Markets	0, 2%	0, 9%	1, 5%	Growth is still limited in many advanced regions due to the difficult economic situation.
Emerging Markets	9, 6%	8, 7%	8, 6%	Growth is mainly driven by the positive performance in emerging Asia and in Latin America.

Source: Swiss Re, 2012 data

To understand what new trends are, new opportunities and difficulties in this changing environment, I looked specifically at how insurance markets are organized by studying the most important ones. Regarding table 4, I can highlight that the most important markets, in term of total premium in 2012, are United States, Japan, China and some European countries. Accordingly, we want to focus to the following countries: United States, Japan, UK, France, Germany and Italy.

2 USA insurance trends

The US insurance industry is the first largest in the world (Swiss Re, 2012). In US operated 2.689 non-life insurance companies and 1.061 life insurers. The life market is the size is

greater in terms of premium volume and other metrics, it accounts for 58% of written premium, while non-life accounts for 42% (Federal Insurance Office, 2012, Insurance Information Institute, 2012).

While there are more than 1,000 life insurers in the United States, the ten largest life insurance groups accounted for more than 50 % of total of life premiums in 2012 (see Table 5). Moreover, the 25 largest life insurance groups by life insurance premiums accounted for more than 82%.

Similarly for life segment, the ten largest non-life insurance groups accounted for almost 50% of total premiums written in 2012 (Federal Insurance Office, 2012).

Tab. 5- Top 10 US Life Insurance Groups

Rank 2012	Rank 2011	Company Name	Direct Premiums Written ($000)
1	**1**	United Health Group Inc.	40.368.154,00
2	**2**	Humana Inc	19.349.478,00
3	**3**	Aflac Inc	17.484.089,00
4	**6**	Aetna Inc	16.258.192,00
5	**4**	Cigna Corp.	11.395.283,00
6	**5**	MetLife Inc.	8.623.170,00
7	**7**	Unum Group	5.207.865,00
8	**9**	Mutual of Omaha Insurance Co.	3.005.592,00
9	**10**	Guardian Life Ins Co. of Am	2.860.623,00
10	**11**	Assurant Inc	2.606.401,00

Source: Federal Insurance Office, Annual Report, 2012 data

Tab. 6-Top 10 US Property and Casualty Insurance Groups

Rank 2012	Rank 2011	Company Name	Direct Premiums Written ($000)
1	**1**	State Farm Mutl Automobile Ins	53.654.237,00
2	**2**	Liberty Mutual	28.297.511,00
3	**3**	Allstate Corp.	26.652.040,00
4	**6**	American International Group	23.596.418,00
5	**4**	Travelers Companies Inc.	22.695.958,00
6	**5**	Berkshire Hathaway Inc.	20.236.495,00
7	**7**	Farmers Insurance Group of Cos	18.311.402,00

8	**9**	Nationwide Mutual Group	17.042.933,00
9	**10**	Progressive Corp.	16.559.746,00
10	**11**	USAA Insurance Group	13.286.274,00

Source: Federal Insurance Office, Annual Report, 2012 data

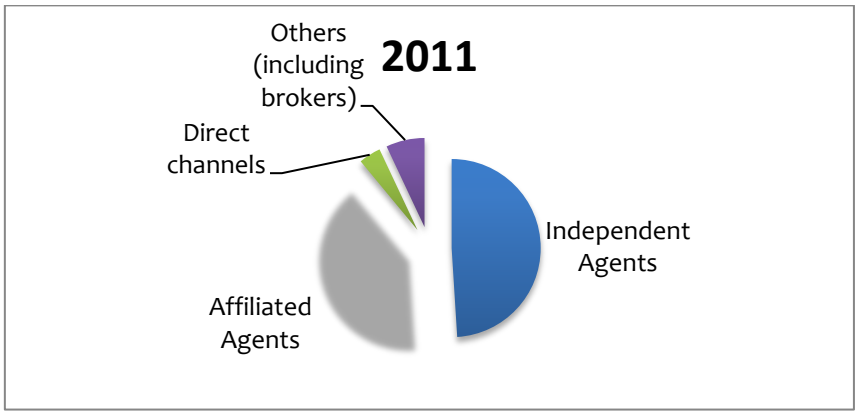
According to the Annual report of the Federal Insurance Office, the insurance industry plays a vital role in the economy of the United States. Insurance premiums in the life and non-life insurance sectors totaled more than 1.1 trillion dollars in 2012, approximately 7 % of gross domestic product (Federal Insurance Office, 2012). In US operated more than 1.000 insurance companies in the life sector and more than 2,700 non-life insurers (Federal Insurance Office, 2012). The life sector accounts for 58 % of industry, while the non-life sector accounts for 42 percent.

Life premiums in 2012 increased 2.3%. Individual life premiums continued to improve modestly while term life sales returned to growth in the last quarter of 2012 and are expected to strengthen gradually along with the US economy (Swiss Re, 2012).

US non-life premiums grew by 1.7% in 2012, more than the previous year (2011: 0.4%). Accident & health business improved, although pressure from employers to keep premiums down and healthcare reforms which put restrictions on commercial pricing Swiss Re, 2010). It is remarkable that although hurricane Sandy pushed 2012 insured catastrophe losses, the combined ratio of US non-life insurers improved to 103.7% in 2012 from 107.8% in 2011 because foreign re/insurers bore a substantial amount of Sandy losses (Swiss Re, 2010)

Focusing on distribution models, it is important to notice that over the decades, insurance distribution have changed in response to changes in customer behavior, and technological developments (Capgemini 2013). Historically, distribution was largely an agent-based function, now insurance products are sold by independent agents, brokers, independent broker, bank channels, by telephone or mail, and the Internet directly from the insurer or through aggregators (Federal Insurance Office, 2012).

Figure 2- Repartition of Sales in life product by distribution channel



Source: Federal Insurance Office, Annual Report, 2012 data

In the life sector, independent agents continued to be the most important channels (49 % in 2011). By contrary, the direct channel is the less exploited, regarding the trend 2009-2011.

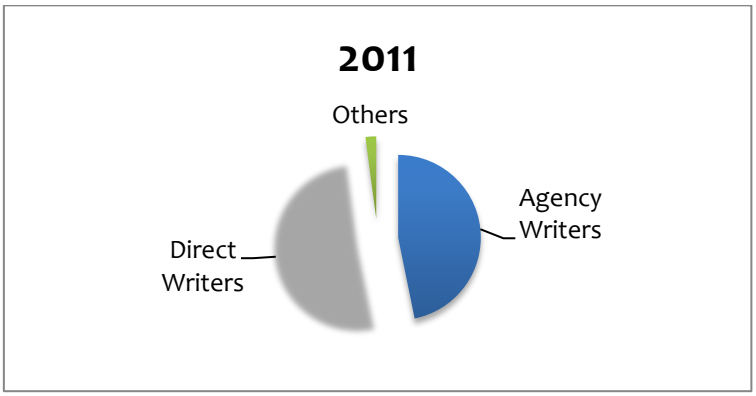
Table 7- Sales of life products by distribution channels

	2009	2010	2011
Independent Agents	47 %	46%	49 %
Affiliated Agents	43 %	42 %	40%
Direct channels	4%	4 %	4%
Others (including brokers)	6 %	8%	7 %

Source: Insurance Information Institute, 2012

In the case of non-life sector, the main distribution channels are agents and direct writers. Agents include includes insurers that distribute through independent agencies, brokers, general agents, and managing general agents.

Figure 3- Sales in non life product by distribution channel



Source: Federal Insurance Office, Annual Report, 2012 data

Direct writers include insurers that distribute through the Internet, exclusive agents, and direct response. As highlighted in Table 8, 51, 1 % of non-life policies were directly written. It is remarkable that agency channels have decreased policies written, from 52, 3 % in 2009 to 46, 8% in 2011.

Table 8- Sales of non-life products by distribution channels

	2009	2010	2011
Agency Writers	52,3 %	47, 2 %	46, 8 %
Direct Writers	47, 4%	51, 4 %	51,1 %
Others	0, 3 %	1, 4 %	2, 1%

Source: Insurance Information Institute, 2012

3 Europe insurance trends

In Europe operated 5.500 insurance companies in 2012, the majority joint stock companies, mutual insurers, but also public institutions and cooperatives (Insurance Europe, 2012). UK, Germany and France were the European countries with largest number of insurance companies respectively 1.213, 580 and 434. The number of companies in Bulgaria increased by 14%, accounted in 2012 420 insurers. It is remarkable that Sweden and Bulgaria presented a large number of insurance companies given their low share of total European premiums (0.1% for Bulgaria and 2.8% for Sweden).

As highlighted in Table 9, the largest European groups are from France, Germany, UK and Netherlands. Regarding the largest European market (France, UK, Italy and Germany), it is remarkable that in the list there is only one Italian group, Generali that operates in several European countries and worldwide. France is the well represented country in the list with 7 groups (AXA, CNP Assurances, Crédit Agricole, Groupama, BNP Paribas, Covéa and Société Générale).

Tab. 9- Top 20 European Insurance Groups

Rank 2012	Rank 2011	Rank 2010	Company Name	Country of domicile	Gross written premium (€ m)
1	**1**	**1**	AXA	France	81.425.000
2	**3**	**2**	Generali	Italy	65.771.000
3	**2**	**3**	Allianz	Germany	63.709.000
4	**4**	**4**	Aviva	United Kindom	40.174.843
5	**5**	**5**	Zurich	Switzerland	33.415.197
6	**6**	**6**	CNP Assurances	France	31.431.000
7	**7**		Prudential	United Kindom	28.266.343
8	**8**	**8**	ING	Netherlands	25.841.000
9	**-**	**-**	PREDICA	France	21.838.165
10	**13**	**-**	Aegon	Netherlands	19.238.000
11	**11**	**-**	Achmea	Netherlands	19.139.000
12	**16**	**12**	BNP Paribas	France	18.588.100
13	**14**	**13**	Ergo	Germany	17.457.200
14	**15**	**14**	Groupama	France	16.722.000
15	**12**	**15**	Mapfre	Spain	13.574.438
16	**17**	**16**	Covéa	France	13.473.671
17	**-**	**-**	Unipol-Fondiaria SAI	Italy	12.615.373
18	**20**	**-**	Société Générale	France	11.567.787
19	**-**	**-**	R+V Versicherung AG	Germany	10.922.000
20	**-**	**-**	ACE Limited	Switzerland	10.344.057

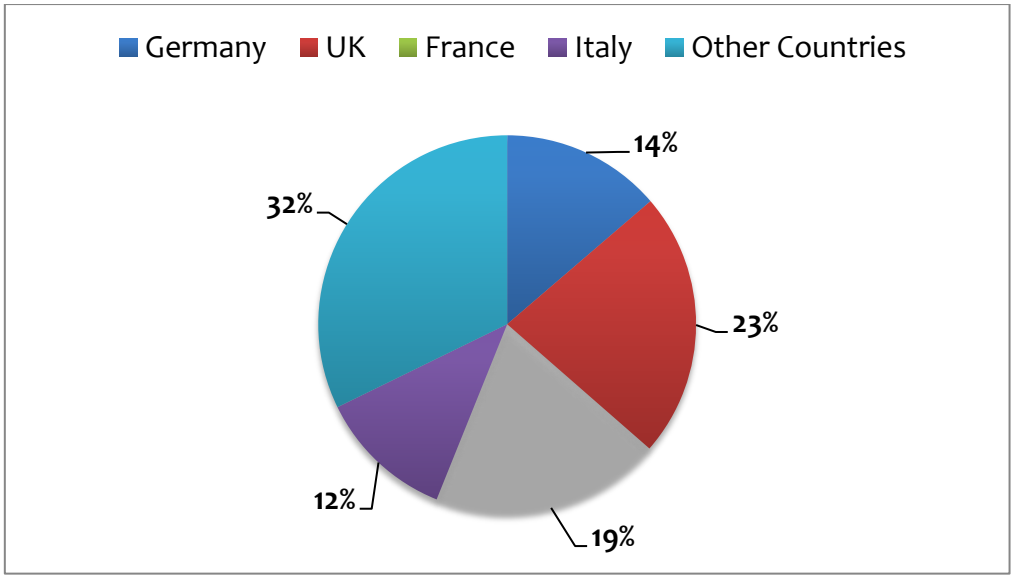
Source: Insurance Europe-Market Operators, 2011 data; AM Best Europe; 2012 data

Despite contrasting economic and financial conditions, the European insurance industry registered a moderately positive performance, indicating a return to growth for total gross

written premiums (Insurance Europe, 2013). In many European countries as Netherlands, Denmark, Sweden, Italy, Spain and Switzerland, insurers benefited from temporary regulatory support thank to less onerous discount rates and accounting rules for government bonds of troubled countries (Swiss Re, 2012). Total gross written premiums increased of 1.6% in 2012.

Global life insurance premiums witnessed a moderate expansion of 1% after a period of decline. It is important to underline that insurers, to respond to the regulatory pressure from Solvency II, have started to develop new products with more flexible guarantees, emphasizing risk products (Swiss Re, 2012). In this sector, the largest markets continued to be the United Kingdom, France, Germany and Italy, which jointly account for around 70% of total life premiums in Europe (Insurance Europe, 2013). In United Kingdom exhibited positive performances (10 %) in life premiums explained mostly by growth in individual pensions. Germany life premium growth was moderately positive (0, 6%) after experiencing a decline in the previous year (2011:-3, 9%). France and Italy experienced a period of decline respectively -8% and -5.5%, for the second consecutive year (-13% and -18% in 2011). In Italy, the negative growth was caused by a decrease in traditional life insurance policies, mainly due to the adverse economic environment that push individuals to maintain liquidity (Insurance Europe, 2012).

Figure 4- Largest Life Market in Europe



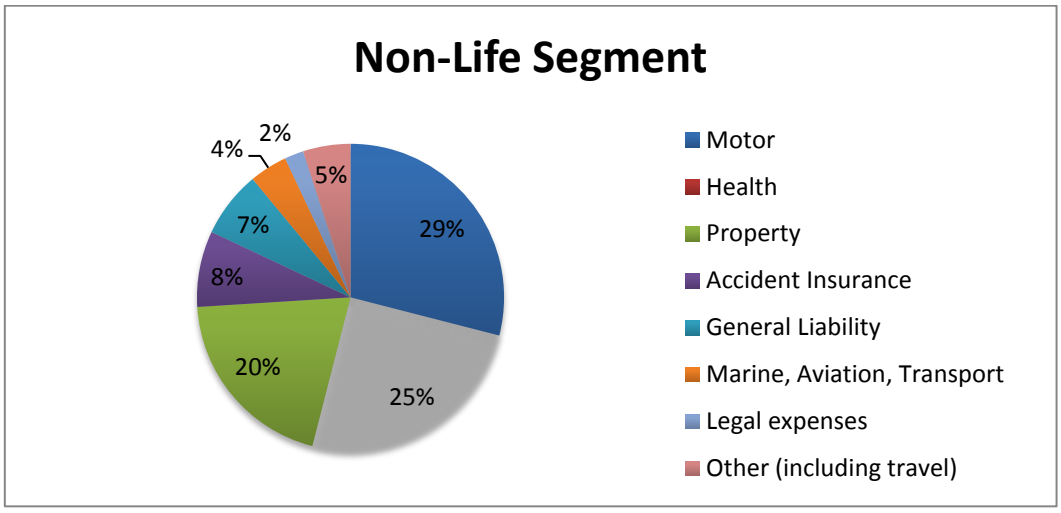
Source: Insurance Europe, 2012 data

Moreover, some European countries experienced a solid growth in life premiums such as Luxembourg (36%, after a steep decline in 2011 of –37%), Norway (13.6%), Finland and Belgium (both 7.6%). In Switzerland and the Netherlands the growth was respectively 2.5% and 1.8. By contrast, premiums declined significantly in troubled southern countries: Portugal (–16%), Spain (–11%), Greece (–9.8%). In Poland, the introduction of new taxes on savings products and new regulations on bancassurance[3] sales determines a reduction on demand for life products. Finally, the Baltic States and Croatia registered positive performances.

European non-life premiums rose of almost 3%in, the growth concerned all three non- life segments, i.e. motor, health, and property (see Figure 5).

[3] Bancassurance means the provision of insurance products by banks or lending institutions that may act as an insurance agent or insurance broker.

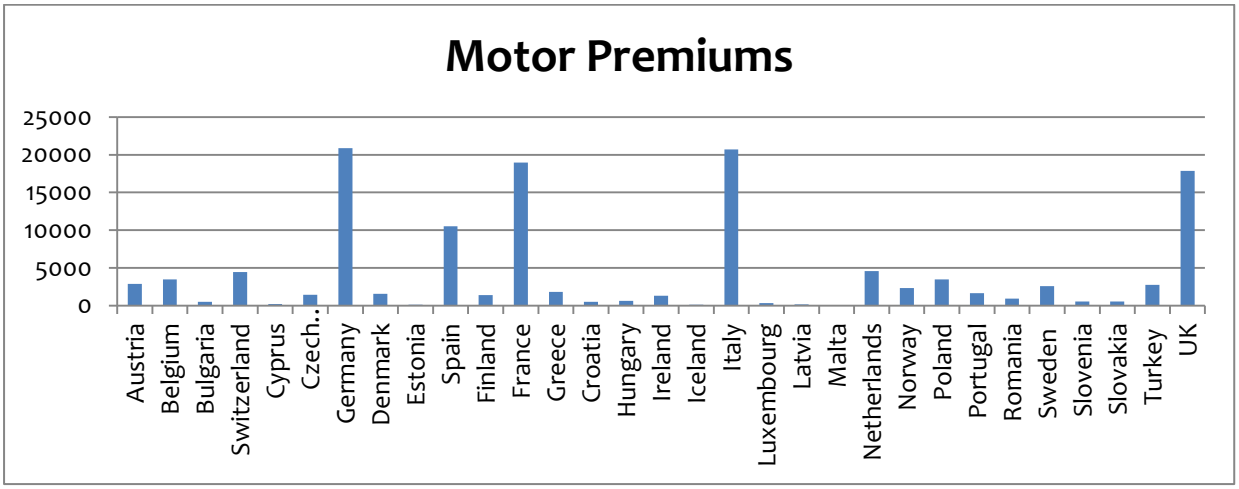
Figure 5- Picture of non-life insurance segment



Source: Insurance Europe, 2012 data

Motor insurance continues to be the largest business line, with 30% of the market. In this segment, the largest markets continued to be the United Kingdom, France, Germany and Italy, which jointly account for around 65 % of total motor premiums in Europe. Germany and France recorded growth rates of 5.4% and 3% respectively, while UK exhibited a decline of around 2%. Italy recorded a decrease as well as and Spain. The decline was driven by contraction on the number of new passenger car registrations of 22% compared to 2011 (Insurance Europe, 2012; Swiss Re, 2012).

Figure 6 - European motor premiums

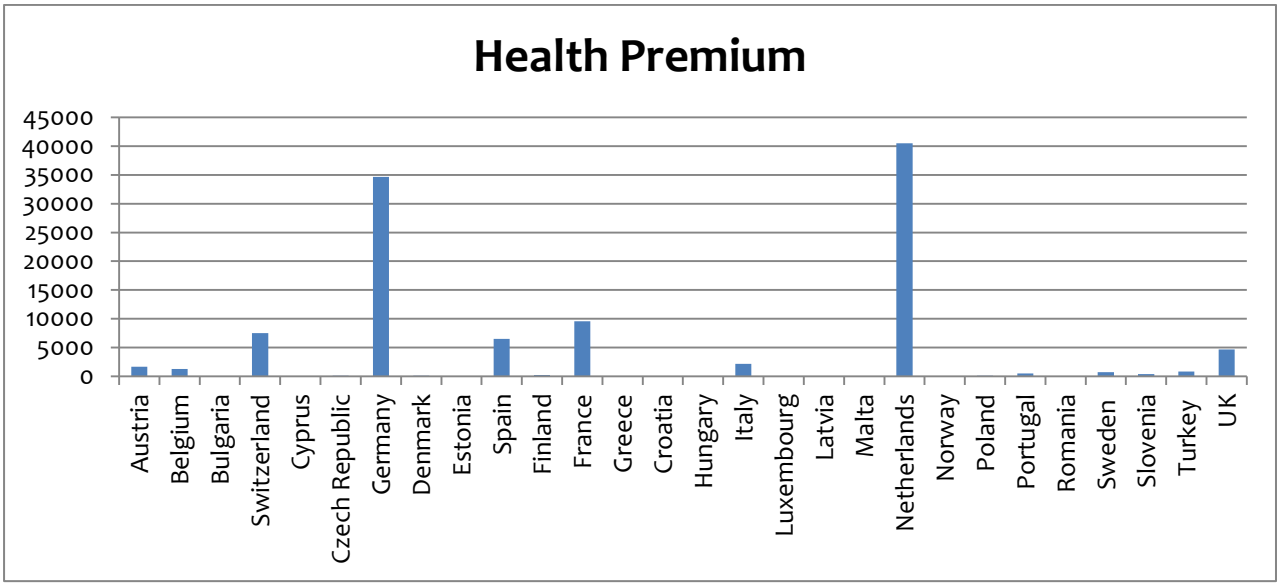


Source: Insurance Europe, 2012 data

Declining premiums in the EU member countries reflect the weak investment and consumption activity in these countries, as well as competitive pricing (Swiss Re, 2012). Nordic markets essentially stagnated, with the exception of Norway, which grew by 5%. The Baltic States also expanded overall, mostly driven by Latvia. In Poland, the contraction of premiums is caused by slowing demand for motor hull business (Swiss Re, 2012).

In non-life sector, the second largest segment is the health insurance with a market share of around 25% in terms of premiums (see Figure 7). The most important markets were Netherlands and Germany that jointly accounted the two-third of the European market. Health premiums continued to grow (2, 5%) but slowly than the previous years (5.8% and 3.2% in 2010 and 2011).

Figure 7- European health premiums



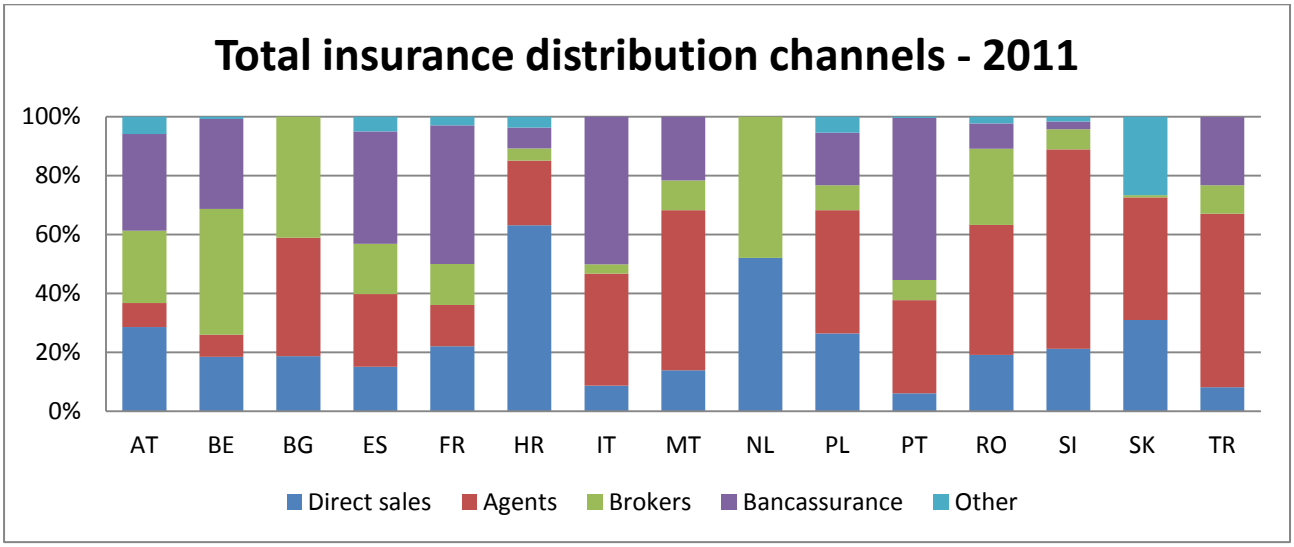
Source: Insurance Europe, 2011 data

Finally, property insurance is the third largest non-life branch, accounting for nearly 20% of non-life premiums. Premiums witnessed a positive expansion in 2012 (4 %) compared with growth of 1.6% in 2011. The largest markets are Germany, France and UK. Germany and France reported an increase of 3.9% and 4.7% respectively, while in the UK exhibited premiums remained relatively stable in 2012.

As highlighted in Figure 8, bancassurance is the main channel models to distribute life products in many European countries, reaching the maximum level in Malta (91, 8%). Bancassurance model accounts for more than 50% of sales in Portugal (77, 5%), Italy (73, 1 %), France (61 %), Austria (51, 7%). In Eastern Europe, bancassurance is generally not common, the main exception is Poland in which life insurance products are almost equally distributed between direct sales, agents and bancassurance (Insurance Europe, 2013).

Brokers still dominate the distribution of life insurance products in the UK (78%), Ireland (48%) and the Netherlands and are also common in Belgium with a stable 33% market share in 2010.

Figure 8-Sales of insurance products by distribution channel



Source: Insurance Europe-Market Operators, 2011 data

Agents are the dominant channels in the distribution of life products in central and eastern countries: Bulgaria (60, 9%), Slovenia (78, 6%) and Slovakia (62, 6%). Between 2009 and 2011, distribution of life insurance products through agents grew in these countries ranging for example in Slovenia from 60, 3% market share to 78, 6%. Also in Luxembourg agents maintain their supremacy, ranging from 41, 7 % in 2009 to 60 %in 2011. Direct writing is the dominant channel in Croatia, where it accounted for 39, 4% of the life premium, registering a

stable market share compared to the 2010. Direct sales are also rather widespread in Ireland (43, 6%), Slovakia (37, 4%), Poland (34, 6%) and the Netherlands (29%).

In contrast to life insurance products, the distribution of non-life insurance agents and brokers continue to be the dominant distribution model of non-life insurance products (see Table). Direct writing is the dominant distribution model in Croatia, reaching 71, 7% of market share in 2011. Agents are particularly well established in Italy (81, 8%), Slovakia (64, 3%), Turkey (67, 5%) and Slovenia (63, 3%). By contrast, brokers are prevalent in Belgium (61%), Ireland (59, 1%), UK (56, 2%) and Bulgaria (44, 5%). Conversely to life insurance, direct sales are relatively common in the distribution of non-life products. Direct writing is popular in Netherlands (58%), in Finland (45, 1%), Malta (38, 8%) and France (35%). Another feature that differs from the life insurance sector is the fact that bancassurance plays a minor role in non-life insurance and is still extremely rare in central and eastern markets. The highest market share is registered in Portugal (14% in 2011). Bancassurance is also utilized in Turkey and France, with respective market shares of 13, 6% and 11%.

3.1 UK

The UK insurance industry is the third largest in the world and the largest in Europe (Swiss Re, 2012). UK insurance market is highly competitive, it account over 1000 companies in non-life segment and over 300 are authorized to write long term savings, pension and protection products (ABI, 2012).

Table 10 - Leading British Life Insurance Companies

Ranking	Company Name	Gross Written Premiums (USD Mn)
1	RBS Group	7.014,7
2	Aviva	6.895,7
3	AXA	4.692,5
4	Zurich Financial Service	4.346,1
5	RSA Insurance Group	4.660,0

6	Munich Re	3.092,2
7	BUPA	2.532,5
8	AIG	2.962,4

Source: Insurance Information Institute, 2011 data

Table 11 - Leading British Non-Life Insurance Companies

Ranking	Company Name	Gross Written Premiums (USD Mn)
1	Aviva	4.835
2	Royal & Sun Alliance Insurance plc	4.122
3	UK Insurance Ltd	3.567
4	AXA Insurance UK plc	3.205
5	BUPA Insurance Ltd	2.260
6	ACE European Group Ltd	2.179
7	Chartis Europe Ltd	2.148
8	Great Lakes Reinsurance (UK) plc	1.914
9	Allianz Insurance plc	1.764
10	QBE Insurance (Europe) Ltd	1.283

Source: A.M. Best research, 2011 data

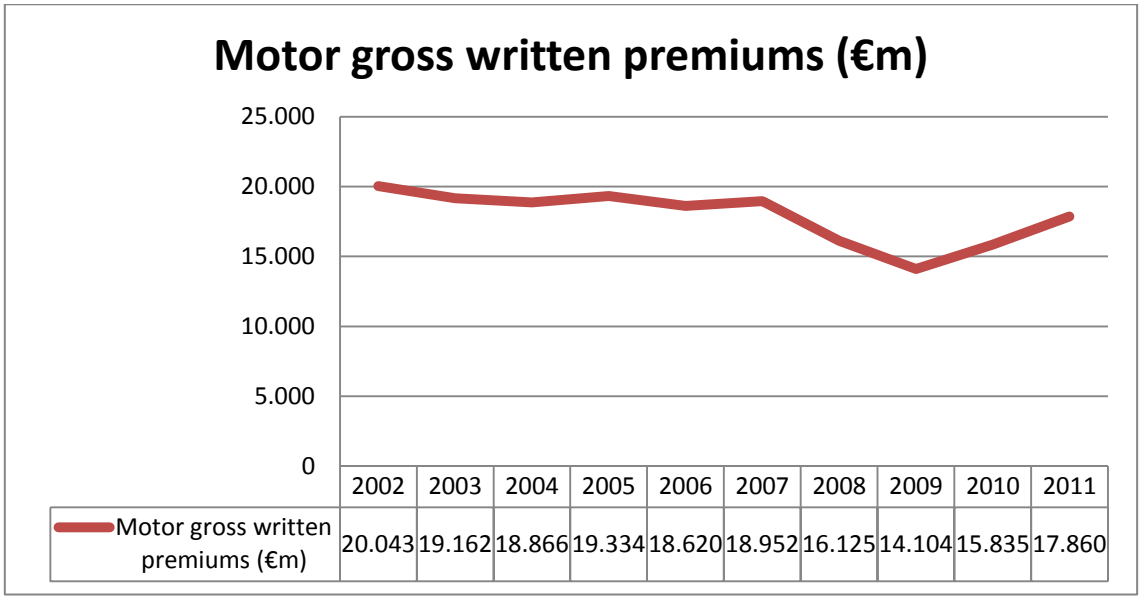
As highlighted in the previous paraFigure, United Kingdom exhibited positive performances in life-sector (10 %), Between 2007 and 2010 the number of long term care policies in force grew more than threefold from 14,000 to 45,000 (ABI, 2012).

Regarding non-life sector, the most important segment is the motor insurance in term of direct premiums written (Insurance Europe, 2012). However, as highlighted in Figure 1, UK experienced the worst result in 2008 and 20o9. Motor insurance witnessed a weak growth in 2010 and 2011 (Insurance Europe, 2012; ABI 2012).

British distribution model in UK life, pensions and investments products is based on intermediaries. Broker Market in UK has been transformed by consolidation and the advent of disruptive “Online” Models. For example, online sales household insurance were 10% in 2009 and stating that this figure could double by 2011 (ABI, 2012). In 2012, 31 percent of all

non-life insurance was sold direct (on the Internet or by telephone) compared to 40 percent by brokers and 8 percent by exclusive agents (ABI, 2012).

Figure 9- Motor gross written premiums in UK (2002-2010)



3.2 France

The French insurance industry is the fourth largest in the world and the third in Europe. The French insurance market is highly competitive, with 434 companies operating in it, 124 operating in life sector and 310 in non-life sector (FFSA, 2012). The market is characterized by high concentration, in which few groups hold the majority of market share, comparable to the European average for the insurance sector (see Table 12-13)

Table 12 - Leading French Life Insurance Companies

Ranking	Company Name	Gross Written Premiums (USD Mn)
1	CNP Assurances	34,569.5
2	Crédit Agricole	28,079.5
3	AXA	20,264.9
4	BNP Paribas	16,291.4
5	Generali France	15,099.3
6	Société Generale	14,039.7

7	Groupama	11,390.7
8	Allianz France	10,596.0
9	Groupe ACM	8,874.2
10	Covéa	5,960.3

Source: Insurance Information Institute, 2011 data

Table 13 - Leading French Non-Life Insurance Companies

Ranking	Company Name	Gross Written Premiums (USD Mn)
1	Groupama	11,655.6
2	Covéa	11,523.2
3	AXA	9,139.1
4	Generali France	5,960.3
5	Allianz France	4,370.9
6	Crédit Agricole	3,178.8
7	Groupe ACM	2,649.0
8	BNP Paribas	1,059.6
9	Société Generale	264.9

Source: Insurance Information Institute, 2011 data

France is the second largest market in motor insurance. The growth registered in 2012 is the results of rising rate increases in response to the deterioration in technical results of companies seriously damaged in 2009 and 2010 (FFSA, 2012).

Personal insurance premiums fell by 7% in 2012 for direct business in France. This is a result of the 14% fall in life insurance premiums and an increase in capitalization contracts up to €124.5 billion (FFSA, 2012, Insurance Europe, 2013).

France is also characterized by a variety of distribution networks. In non-life sector, agents are the most dominant model compared to the in life segment. In life segment, bancassurance is the most preferred model to sell life policies.

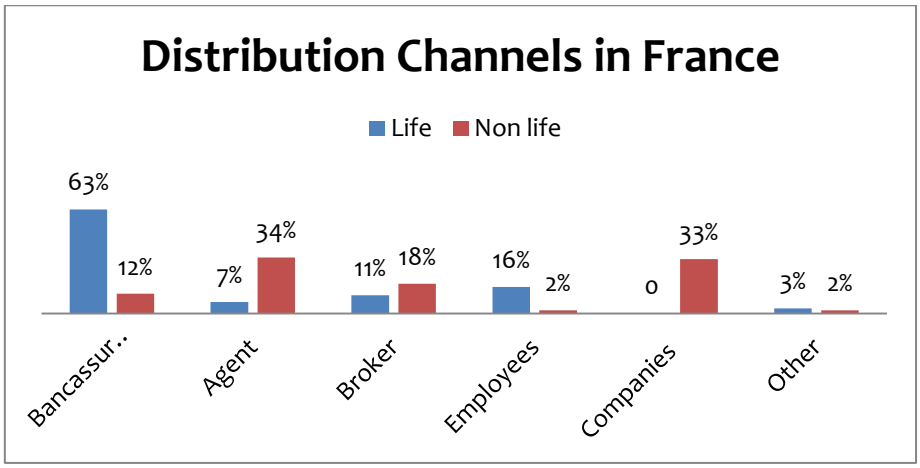
Table 14- Sales of insurance products by distribution channels

Distribution Model	Life	Non life
Bancassurance	63 %	12%

Agent	7 %	34%
Broker	11 %	18%
Employees	16%	2%
Companies without intermediaries	-	33%
Other	3%	2%

Source: FFSA annual report, 2012 data

Figure 10- Distribution Channels in France



Source: FFSA annual report, 2012 data

3.3 Germany

Germany is the 5th largest market in term of total premium in 2012 and the second in Europe. In recent years, premium revenues of insurers have amounted to about 7% of GDP. It is important to notice that in 1960s, premium revenue constituted only 3 percent of GDP[4], highlighting the significance of insurance industry in Germany. In recent years the number of German insurers has tended to decrease, ranging from 659 companies in 2001 to 580 in 2012 (GDV, 2012). In Germany operated 94 companies in life segment, 48 in health segment, 215 in non-life segment, 34 reinsurance companies and 150 Pensions Funds.

Premiums in life segment, pension funds decreased by around 0.7, however the total life sector experienced a moderate increase of 0, 7% (Insurance Europe, 2013; GDV, 2012).

[4] GDP: Gross Domestic Product

Strong growth was registered in motor insurance (5, 4%), that represent the largest market in Europe (Insurance Europe, 2013).

Table 14 - Leading German Life Insurance Companies

Ranking	Company Name	Gross Written Premiums (USD Mn)
1	Allianz Vers	11,845.0
2	AXA Vers	4,221.2
3	R+V	3,604.0
4	Ergo	3,500.7
5	HDI	3,352.3
6	Allianz Global	3,169.5
7	Generali	2,158.9
8	LMV Sach	1,924.5
9	Gothaer Allgemeine Ag	1,849.0
10	VHV Allgemeine Vers	1,774.8

Source: Insurance Information Institute, 2011 data

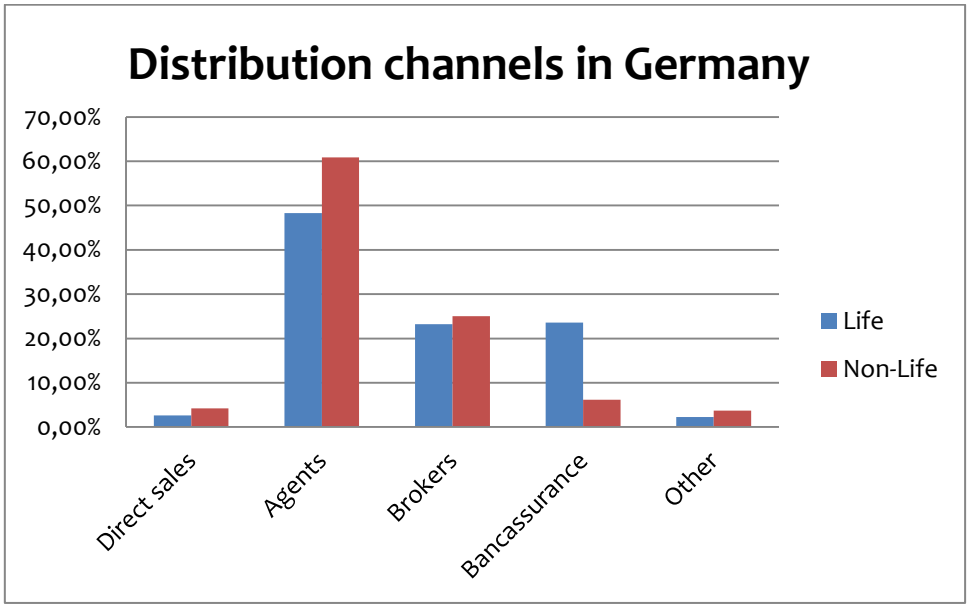
Table 15 - Leading German Non-Life Insurance Companies

Ranking	Company Name	Gross Written Premiums (USD Mn)
1	Allianz Leben	20,394.7
2	Zurich Dtsch. Herold	6,054.3
3	AachenMuenchener Leben	5,924.5
4	R+V Lebensvers	5,903.3
5	Generali Leben	5,533.8
6	Ergo Leben Ag	4,716.6
7	Debeka Leben	4,266.2
8	Bayern-Versicherung	3,676.8
9	AXA Leben	3,038.4
10	Wuerttembergische Leben	3,018.5

Source: Insurance Information Institute, 2011 data

Agencies were the main distribution channel for the German life insurance segment, despite increasing competition from the cost-effective bancassurance channel (see Figure 11, and Table 16-17).

Figure 11-Distribution Channels in Germany



Source: Insurance Europe-Market Operators, 2011 data

3.4 Italy

Italy is the 7th largest market in term of total premium in 2012 and the fourth in Europe.

In Italy operated 235 companies, comprising of 135 having their registered office in Italy (142 in 2011).

The year 2012 was marked by the acquisition of the Fondiaria-SAI by Unipol Group, which makes it the second insurance group in Italy in terms of premiums and the first operator in the non-life business. In addition, recently in the Italian insurance market have occurred a new regulation according to insurance companies are obliged to provide each customers with a online reserved area through which they can 1) visualize contract conditions, payment status and deadlines, 2) make payments and renewals (Ddl.Crescita-bis).

In 2012, written premiums in life segment were 71.624 million and 36.697 in non-life segment (Ania, 2013).

Table 16-Leading Italian life groups

Rank	Rank	Company Name	Direct Premiums

2012	2011		Written (€000)
1	**1**	Generali	12.436
2	**3**	Poste Italiane	10.517
3	**2**	Intesa San Paolo	9.961
4	**4**	Mediolanum	7.936
5	**8**	Unipol	5.374
6	**5**	Allianz	5.082
7	**7**	Cardif	2.918
8	**6**	Aviva	2.629
9	**9**	Cattolica	1.831
10	**13**	Credit Agricole	1.690

Source: Insurance Europe-Market Operators, 2012 data

Table 17-Leading Italian non-life groups

Rank 2012	Rank 2011	Company Name	Direct Premiums Written (€000)
1	**4**	Unipol	10.576
2	**1**	Generali	7.571
3	**3**	Allianz	4.421
4	**5**	Reale Mutua	2.016
5	**6**	AXA	1.824
6	**7**	Cattolica	1.685
7	**8**	Zurich	1.506
8	**9**	Groupama	1.326
9	**10**	Vittoria	899
10	**11**	ACI/Sara	649

Source: Insurance Europe-Market Operators, 2012 data

As highlighted in Figure 12, bancassurance is the main channel models to distribute life products, but in 2012 this distribution model has experienced a decline in term of written premiums (16, 4%). The same consideration applies for the agents (-6%).

Conversely, direct channel, represented by subsidiary agency, witnessed a stable growth by 6, 6% compared to 2011.

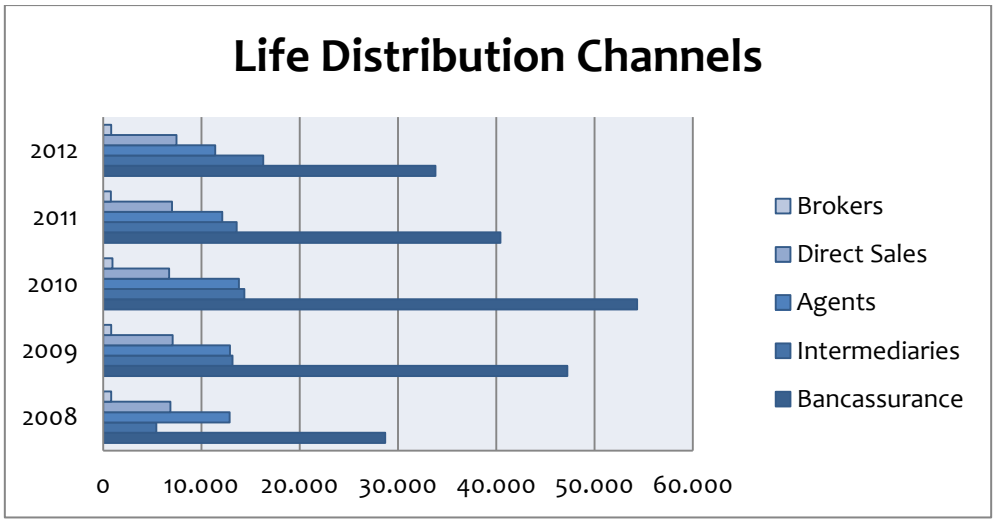
In non-life segment, agents remain the predominant channel (see Figure 13), although it shown a decrease in 2012 (-3 %).

Direct sales continued to grow (+12.3%) thanks to the contribution of distribution via the internet and telephone channel that increases by 12.1% compared to 2011.

Bancassurance recorded in 2012, for the first time after four years of growth, a decrease of 5.5%.

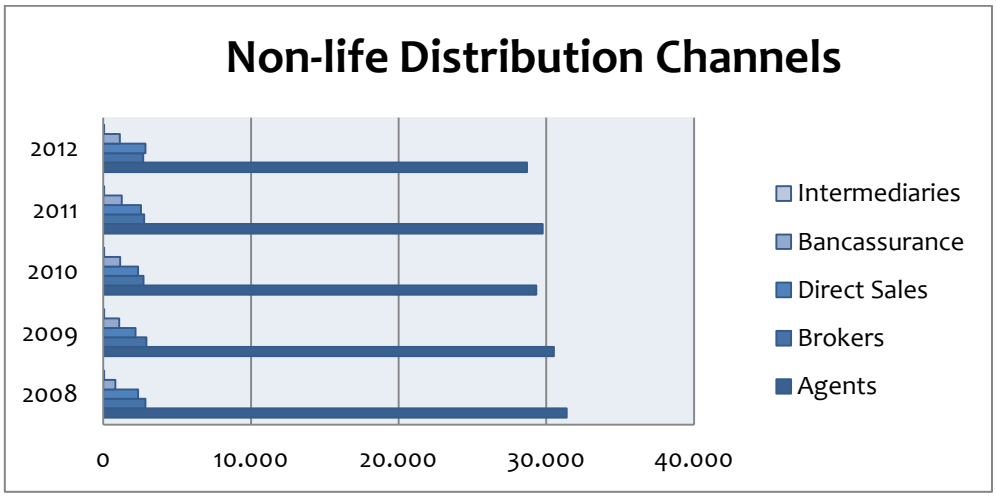
It is important to notice that in motor segment direct sales represented the second distribution channel, thanks to the growing volumes of internet channel (+19.0% compared to 2011).

Figure 12- Distribution models in life segment



Source: ANIA, 2012 data

Figure 13- Distribution models in life segment



Source: ANIA, 2012 data

Table 18 -Sales of life products by distribution channels

	2009					2010					2011				
Countries	Direct sales	Agents	Brokers	Bancassurance	Other	Direct sales	Agents	Brokers	Bancassurance	Other	Direct sales	Agents	Brokers	Bancassurance	Other
AT	14,3%	2,7%	13,4%	64,8%	4,9%	16,5%	2,9%	14,5%	62,6%	3,5%	23,2%	4,0%	16,7%	51,7%	4,4%
BE	19,0%	5,2%	33,0%	42,4%	0,4%	18,2%	5,2%	32,8%	43,2%	0,6%	17,5%	5,6%	32,3%	44,0%	0,7%
BG	15,4%	62,0%	22,6%	0,0%	0,0%	21,8%	56,3%	21,9%	0,0%	0,0%	16,7%	60,9%	22,4%	0,0%	0,0%
DE	2,5%	53,5%	20,9%	20,6%	2,5%	2,6%	48,3%	23,2%	23,6%	2,3%	n.a.	n.a.	n.a.	n.a.	n.a.
ES	10,4%	12,7%	8,1%	66,2%	2,6%	10,4%	12,7%	8,1%	66,2%	2,6%	n.a.	n.a.	n.a.	n.a.	n.a.
FR	16,0%	7,0%	14,0%	60,0%	3,0%	16,0%	7,0%	13,0%	61,0%	3,0%	17,0%	7,0%	12,0%	61,0%	3,0%
HR	40,2%	41,6%	1,5%	16,1%	0,6%	39,3%	36,1%	1,4%	18,5%	4,7%	39,4%	34,3%	2,5%	19,3%	4,5%
IE	38,7%	10,5%	50,7%	0,0%	0,1%	41,6%	10,4%	48,0%	0,0%	0,0%	43,6%	10,2%	n.a.	0,0%	n.a.
IT	8,7%	15,9%	1,0%	74,4%	0,0%	7,4%	15,3%	1,0%	76,3%	0,0%	9,5%	16,4%	1,0%	73,1%	0,0%
LU	25,5%	41,7%	3,1%	29,7%	0,0%	24,0%	46,5%	3,7%	25,8%	0,0%	11,4%	60,0%	3,7%	25,0%	0,0%
MT	0,9%	67,3%	3,1%	28,7%	0,0%	1,2%	3,2%	3,7%	91,8%	0,1%	1,3%	63,0%	3,2%	32,5%	0,0%
NL	29,0%	71,0%		0,0%	0,0%	29,3%	57,4%	0,0%	11,3 %	2,1%	29,0%	71,0%	0,0%	0,0%	0,0%
PL	32,5%	28,8%	4,7%	32,6%	1,4%	36,8%	24,3%	1,7%	28,3%	8,9%	34,6%	25,8%	1,9%	30,0%	7,7%
PT	6,1%	10,1%	1,0%	82,7%	0,1%	5,2%	9,7%	0,7%	84,2%	0,2%	3,8%	17,3%	1,2%	77,5%	0,2%
RO	10,6%	42,5%	16,6%	29,9%	0,4%	10,6%	55,0%	20,8%	13,6%	0,0%	n.a.	n.a.	n.a.	n.a.	n.a.
SE	n.a.	n.a.	n.a.	n.a.	n.a.	12,0%	3,0%	19,0%	12,0%	54,0%	17,0%	5,0%	31,0%	14,0%	33,0%
SI	2,3%	60,3%	9,6%	5,4%	22,4%	2,8%	58,0%	9,6%	6,9%	22,7%	4,3%	78,6%	9,4%	7,6%	0,1%
SK	36,0%	64,0%	0,0%	0,0%	0,0%	36,1%	59,6%	4,3%	0,0%	0,0%	37,4%	62,6%	0,0%	0,0%	0,0%
TR	18,9%	23,8%	0,9%	56,4%	0,0%	11,7%	18,0%	0,8%	69,5%	0,0%	10,5%	13,7%	0,6%	75,2%	0,0%
UK	5,4%	23,5%	71,2%	0,0%	0,0%	7,9%	13,9%	78,2%	0,0%	0,0%	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Insurance Europe, 2011

Table 19- Sales of non- life products by distribution channels

	2009		2010		2011	

Countries[5]	Direct sales	Agents	Brokers	Bancassurance	Other	Direct sales	Agents	Brokers	Bancassurance	Other	Direct sales	Agents	Brokers	Bancassurance	Other
AT	35,3%	13,2%	38,9%	5,4%	7,3%	35,4%	13,9%	37,3%	5,4%	8,1%	36,2%	14,1%	35,9%	5,7%	8,1%
BE	20,0%	10,5%	61,8%	6,8%	0,8%	20,4%	10,5%	61,3%	6,9%	0,8%	20,2%	10,6%	61,0%	7,2%	1,0%
BG	20,0%	34,2%	45,7%	0,0%	0,0%	19,4%	37,1%	43,5%	0,0%	0,0%	18,9%	36,6%	44,5%	0,0%	0,0%
DE	4,2%	62,8%	24,5%	5,8%	2,7%	4,2%	60,9%	25,0%	6,2%	3,7%	n.a.	n.a.	n.a.	n.a.	n.a.
ES	22,2%	36,3%	26,7%	8,8%	5,9%	22,8%	35,5%	25,0%	9,7%	7,1%	n.a.	n.a.	n.a.	n.a.	n.a.
FI	n.a.	n.a.	n.a.	n.a.	n.a.	47,3%	10,8%	4,6%	6,0%	31,3%	45,1%	10,3%	4,1%	6,1%	34,4%
FR	35,0%	35,0%	18,0%	10,0%	2,0%	35,0%	34,0%	18,0%	11,0%	2,0%	35,0%	34,0%	18,0%	11,0%	2,0%
HR	72,4%	21,3%	2,2%	1,6%	2,5%	73,9%	20,3%	1,7%	2,3%	1,8%	71,7%	17,5%	4,7%	2,7%	3,4%
IE	41,8%	0,0%	58,2%	0,0%	0,0%	40,9%	0,0%	59,1%	0,0%	0,0%	n.a.	n.a.	n.a.	n.a.	n.a.
IT	6,0%	83,0%	7,9%	3,1%	0,0%	6,6%	82,4%	7,7%	3,3%	0,0%	7,0%	81,8%	7,6%	3,5%	0,1%
LU	7,6%	62,2%	29,4%	0,7%	0,2%	14,5%	62,4%	22,1%	0,8%	0,3%	13,8%	61,0%	24,2%	0,8%	0,3%
MT	37,3%	41,3%	21,4%	0,0%	0,0%	37,5%	37,8%	24,6%	0,0%	0,1%	38,8%	37,1%	24,1%	0,0%	0,0%
NL	61,0%	39,0%	0%	0,0%	0,0%	61,0%	39,0%		0,0%	0,0%	58,0%	42,0%		0,0%	0,0%
PL	19,9%	58,5%	16,5%	3,5%	1,6%	15,2%	62,5%	15,4%	4,9%	2,0%	15,9%	62,3%	16,9%	2,2%	2,7%
PT	11,1%	54,9%	17,0%	12,8%	4,2%	10,8%	58,1%	17,3%	12,8%	0,9%	10,2%	57,6%	17,2%	14,0%	1,0%
RO	25,8%	34,6%	33,1%	2,6%	3,9%	26,1%	36,4%	33,8%	0,4%	3,2%	n.a.	n.a.	n.a.	n.a.	n.a.
SI	27,9%	65,4%	4,6%	0,5%	1,6%	27,1%	64,7%	5,1%	0,5%	2,6%	28,0%	63,3%	5,7%	0,5%	2,5%
SK	21,0%	62,3%	16,7%	0,0%	0,0%	22,3%	70,1%	7,6%	0,0%	0,0%	22,2%	64,3%	0,7%	0,0%	12,8%
TR	8,2%	68,4%	11,3%	12,1%	0,0%	8,1%	67,8%	10,8%	13,3%	0,0%	7,6%	67,5%	11,3%	13,6%	0,0%
UK	23,9%	5,3%	57,3%	7,6%	5,9%	22,6%	5,8%	58,2%	7,3%	6,1%	24,2%	5,0%	56,2%	8,2%	6,4%
Note: For NL, there is no distinction between agents and brokers															

Source: Insurance Europe, 2011

[5] List of abbreviated countries: Austria, Belgium, Bulgaria, Germany, Spain, France, Croatia, Ireland, Italy, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Sweden, Slovenia, Slovakia, Turkey and UK.

4 Japan insurance trends

The Japan insurance industry is the second largest in the world. In Japan operated 43 insurance companies in the life sector, including 5 mutual insurers, and 53 non-life insurers (GIAJ, 2012; LIAJ, 2013). Many life and non-life insurers have been promoting the reorganization of the insurance industry such as through business cooperation, combination and merger in order to increase the convenience for customers and enhance the stability of insurers' business to face the dramatically changing environment surrounding the insurance industry.

Table 20-Ranking Non-Life Insurance Companies-Japan

Ranking	Company Name	Gross Written Premiums (USD)
1	Tokio Marine & Nichido	21.661,1
2	Sompo Japan insurance Inc.	15.421,5
3	Mitsui Sumitomo Insurance	15.121,0
4	Aioi Nissay Dowa Insurance	9.303,4
5	Nipponkoa Insurance	7.518,9
6	Nissay Dowa Insurance	3.999,7
7	Fuji Insurance	3.334,2
8	AIU Insurance	2.695,4

Source: A.M. Best research, 2011 data

Table 21-Top Non-Life Insurance Companies-Japan

Ranking	Company Name	Gross Written Premiums (USD)
1	Japan Post Insurance Co., Ltd.	83.945,0
2	Nippon Life Insurance Company	55.770,9
3	Meiji Yasuda Life Insurance Company	44.922,6
4	Dai-ichi Life Insurance Co Ltd	34.811,7
5	Mitsui Sumitomo Insurance	34.163,0
6	Aflac	15.597,9
7	MetLife Alico	12.936,1
8	Sony Life Insurance Co Ltd	8.752,1
9	Taiyo Life Insurance Co Ltd	8.178,1

10	Daido Life Insurance Co	8.163,9

Source: Insurance Information Institute, 2011 data

Life premiums in Japan exhibited a very strong growth 9.2% in 2012 compared to 2011: 2.7%. Life premium growth in Japan benefited from recovering sales of annuity products through bancassurance (Swiss Re, 2010).

The total of direct non-life premiums was 7,992.3 billion yen, with a growth by 3.2% (GIAJ, 2012). After its devastating earthquake and tsunami in 2011, rate increases in property and motor lines boosted premium growth, bringing average post-crisis growth to 4.7%, compared to 0.6% before the crisis. Prices in property insurance increased modestly in 2012, after the sharp rise post-earthquake in 2011, indicating that prices are stabilizing (Swiss Re, 2012).Furthermore, motor premiums in Japan will benefit from the Compulsory Automobile Liability Insurance (CALI) price hike in April 2013 (Swiss Re, 2012).

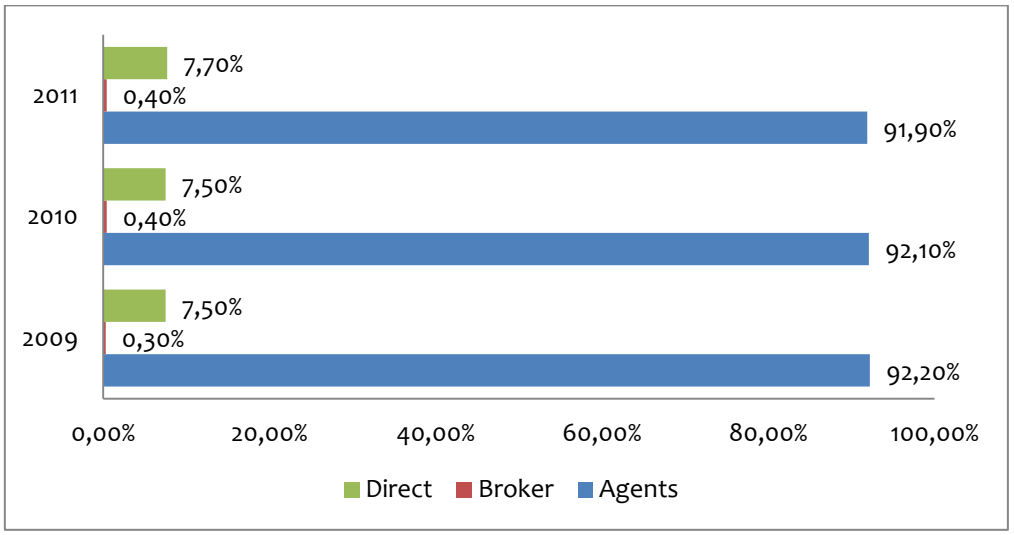
Regarding the distribution models that characterized Japan non-life sector, as highlighted in table agents are the main channel. Brokerage was introduced in 1996, but is still enfant. As shown on table, broker channel accounted only 0, 4% in 2011. Direct sales channel witnessed a stable market share from 2009 to 2011.

Table 22-Sales of non-life products by distribution channels

	2009	2010	2011
Agents	92,20%	92,10%	91,90%
Broker	0, 3%	0, 4%	0, 4%
Direct	7, 5%	7, 5%	7,7 %

Source: General Insurance Association of Japan, data 2009-2010-2011

Figure 14- Evolution of distribution Channels in non–life segment



Source: General Insurance Association of Japan (2012)

5 Largest Insurance Companies

As highlighted in Table 3, the world's largest insurer, measured by assets, is Japan Post Insurance Co., which reported 2009 year-end assets of $1.1 trillion. While America is well represented in the list (6 companies), US insurers are not at the top. Regarding European insurers, it is important to notice that they obtain half (12) of the list. Five Japanese companies are now in the top 25, representing the greatest presence of any single country. National Mutual Insurance Federation of Agricultural Cooperatives gained 4 positions compared to the previous year. It is remarkable that life insurers tend to dominate the list of the world largest insurers.

Table 23- World Largest Insurer

2011 Asset Rank	2010 Asset Rank	Company Name	Country of domicile	2011 Total Non-Banking Assets USD (000)
1	**1**	Japan Post Insurance Co., Ltd.	Japan	1.139.254.252
2	**2**	AXA S.A.	France	891.511.670
3	**3**	Allianz S.A.	Germany	805.820.225
4	**4**	Metlife Inc	United States	799.625.000

5	**8**	Prudential Financial Inc	United States	624.521.000
6	**9**	Nippon Life Insurance Company	Japan	622.189.674
7	**11**	National Mut Ins Fed Agricultural Coop	Japan	585.924.870
8	**5**	American International Group, Inc	United States	555.773.000
9	**7**	Assicurazioni Generali S.p.A.	Italy	547.859.074
10	**10**	Legal & General Group plc	United Kindom	504.976.886
11	**6**	Aviva pcl	United Kindom	482.808.346
12	**15**	Manulife Financial Corporation	Canada	453.183.431
13	**12**	AEGON N.V.	Netherlands	447.522.215
14	**13**	ING Groep N.V.	Netherlands	434.456.960
15	**16**	Prudential plc	United Kingdom	422.845.248
16	**14**	CNP Assurances	France	415.629.862
17	**19**	Dai-ichi Life Insurance Co Ltd	Japan	406.979.027
18	**18**	Berkshire Hathaway Inc	United States	392.647.000
19	**17**	Zurich Insurance Group Ltd	Switzerland	385.869.000
20	**23**	Meiji Yasuda Life Insurance Company	Japan	361.489.598
21	**21**	Munich Reinsurance Company	Germany	320.616.100
22	**24**	China Life Insurance (Group) Company	China	308.130.899
23	**20**	Hartford Financial Services Group Inc	United States	304.064.000
24	**22**	PREDICA-Prevoyance Dialogue du Credit	France	295.000.485
25	**25**	Life Insurance Corporation of India	India	286.732.284

Source: A.M. Best research, 2011 data

In the following table, I highlighted the most important trends characterizing each region previously analyzed in details.

Table 24- Summary of the most important characteristics by region

	USA	Japan	Europe
Current trends	• The US insurance industry is the first largest in the world • Operate more than 3000 insurance companies. But the largest life and non-life insurance	• Japan insurance industry is the second largest in the world. • High concentrated market in term of number of companies. • Recently numerous	• UK, France, Germany and Italy are the largest market. • Sector is characterized by numerous mergers and acquisitions took place at the end of the

	groups accounted for more than 50 % of total of premiums in 2012 • New opportunities or obstacles for non-life insurance companies due to the health care reform.	M&A have occurred with the main aim to increase the stability of insurers' business. • The tsunami and the earthquake were the main issue afflicting the non-life sector.	1990s due to the deregulation of the EU market. • Some southern countries have experienced decline of total premium written mainly due effect of the financial crisis, • New regulation (Solvency II) has pushed insurers to develop new products with more flexible guarantees.

6 Trends in Insurance Distribution Channels

Internet, digital and mobile technologies have fundamentally changed the way firms perform, conceive, develop and deliver services, leading to the development of personalized relationships with customers, increasing quality, improving lead time, and enabling more customization at a lower cost. As highlighted in previous paraFigure, insurers have traditionally sold insurance products through brokers and agents, and in certain markets, they are the predominant channel (i.e. in Europe, see table 22 2). Nowadays, new sales networks and channels emerge; today insurers employ the following new channels to engage customers: Internet, social networking, blogs, video, smart phones that offer an entirely new way of doing business, affecting all firms' strategic and functional areas. This situation force firms to turn themselves into multichannel organizations. Multichannel distribution implies for firms implementing simultaneously different online and offline channels to better serve their consumers (Sousa & Voss, 2006). This digital revolution is investing also insurance firms; today, insurers' relationship with consumers increasingly begins online. As a matter of fact, financial sector has a long history of developing new ways to interact with customers and increasingly has taken up the Internet as a channel for reaching their customers (Coelho & Easingwood, 2005; Hughes, 2007).

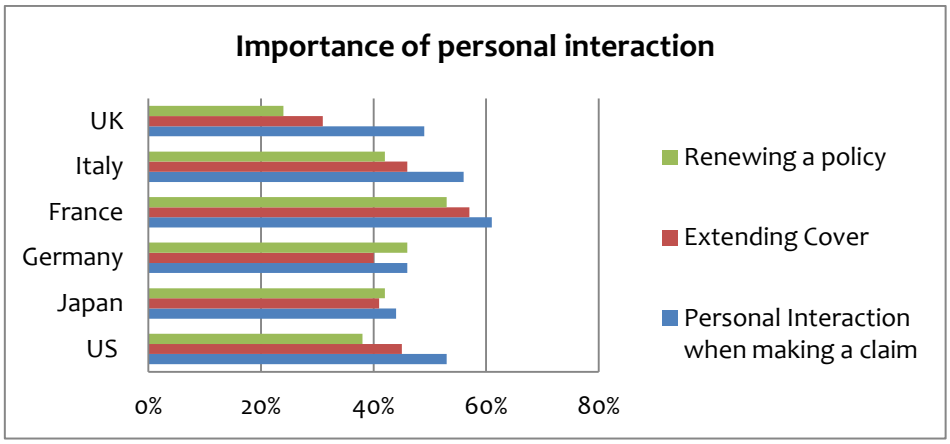
Table 25- Summary of the most important trends by region

	North America	Europe	Asia Pacific
Current Trends	• Consumers are using multiple channels to buy different types of insurance policies • Insurers are expanding alternate channels like supermarkets and affinity groups • Insurers are deepening collaboration with agents to reduce channel conflicts • Both in life and non-life segment the agents remain the principal distribution channel.	• Agents and brokers continue to dominate the non-life insurance market • Insurers are increasing sales of insurance policies through direct channels • Distribution models are varied among European countries	• Insurers are working to establish a multi-channel network • Agents continue to dominate the life insurance market
Emerging Trends	• Agents are embracing technology and focusing sales strategies on web, mobile and social media	• Retailers are emerging as important players in insurance distribution	• Insurers are using demoFigureic based strategies to serve customers across segments • Insurers are expanding distribution through joint ventures

Additionally, technologies have fundamentally changed consumer behavior creating both a challenge and a tremendous growth opportunity for insurance industry. In its most recent forecast, Ernst and Young assert that Internet sales in insurance sector have seen tremendous growth rates over the past years (Ernst and Young, 2012). This research, based on a cross-country survey to 24.000 consumers, shows that both in life and non-life segment, customers experience a great desire to use online channel to inform themselves prior to making a purchase. Consumers are using a ranging of online channels blogs, social media, online comparison sites and providers' own website to gain access to information and to purchase an insurance policy. However, this recent survey demonstrate that direct personal contact remains important during all critical phases of the product life cycle (see Figure 13), for

example when customer are making a claim or dealing with other customer service (Ernst and Young, 2012).

Figure 15-Importance of direct contact for customers



Source: Ernst and Young-Global Consumer Insurance Survey (2012)

In Asia-Pacific area, customers are more willing to make a purchase online compared to European or American consumers. This most likely reflects a higher level of technological familiarity. In Japan, the concept of trust is fundamental to Japanese culture, more than the other markets. Research shows that Japanese customers are willing to buy multiple products from the same trusted provider. In Europe, online channel usage is particularly prevalent among younger customers but is growing in other age segments. It is important to highlight that UK is the leader in online practices, especially in motor segment. This trend in UK derives from the fact that historically a large part of non-life premiums were written by telephone (Ernst and Young, 2012).

Insurers are starting to react to these changes and are coming up with solutions that attempt to better meet customer expectations and needs. Insurance are expanding their online activities in order to reduce costs, expanding the existing network of agencies and branches, eliminating paper work, and decreasing the level of personal interaction (Lee et al, 2007). Additionally, leveraging these new channels insurer can reach customers and quickly

incorporate their feedback, thus creating and enhancing loyalty and customer satisfaction (Schramm-Klein, 2010).

The introduction of new technologies produced a highly competitive environment. Insurers are trying to implement customer focused distribution channels like mobile, to leverage internet for expanding the customer reach and to reduce iterations in processes in insurance value chain. In this process, insurance companies are facing by the emergence of the following opportunities and threats across all direct and indirect channels.

1) Integration of different channel in a single view to meet new customers needs
2) Increased use of social media as a distribution channel
3) Increased use of mobile as a new direct channel

6.1 Multichannel Integration

Multichannel Integration implies the integration of online and offline channels to create a "seamless" experience for customer (Müller-lankenau et al., 2004). Channels are seen as complementary components of a multi channel system that aim to provide a high level of convenience to customers supporting them during transaction phases. I include within the term "online channel" the IT-enabled distribution channels such as Smartphone, social media, website, and internet kiosks. I include within the term "physical channel" all traditional channels such as stores, call centers, catalog, and sales forces such as agent and brokers. Firms integrate different channels to support various customer facing activities, such as order management, promotion, or product returns (Wheeler, 2002). Integration means that online and offline channel use a common infrastructure and resources as order processing and fulfillment, back-end systems, logistics, and CRM (Pentina & Hasty, 2009). Multichannel Integration can improve the effectiveness of each separate channel and provide for customers personalized relationship with firms (Pentina & Hasty, 2009). In an integrated multi-channel environment, firm design their channels activities to encouraged customers to switch between

channels during the various phases of the purchasing process (Rangaswamy & Bruggen, 2005). Firms can obtain numerous advantages from this change in their distribution system. As the matter of fact, multi-channel integration helps shaping customers' positive attitude towards the multichannel system, which in turn eventually leads to higher customer loyalty (Schramm-Klein, 2010). Multichannel integration allows firms reaching new customers and offering new services and reduced costs in the other channel (Ward, 2001). The coordination and integration of different channels requires the conception of a multi-channel platform that leads to synergies between branding, promotion, information management and customer service (Goersch, 2002; Oh, Teo, & Sambamurthy, 2012). It means a functional integration across areas as marketing, sales and logistic that involves the extensive use of information technologies to digitize and integrate resources and operations from offline and online channels (Oh et al., 2012).

For example, functional integration takes place when a Web site provides post-sales service such as a Personal Digital Assistant or email for product purchased in the offline channel.

Multichannel integration will also provide seamless channel transition, which is critical for insurers seeking to service their cross channel customers effectively. This type of integrated multichannel distribution helps insurance companies to address changing customer needs, and it helps them address a range of technical issues such as duplication of data and functions, non flexible IT infrastructure, increasing demands for anytime/anywhere/any device service, and the need for greater information security. Many insurers have already started to develop this transformation, especially in North America and Europe, where the markets and companies are relatively mature. Insurers on Asia-Pacific may not see multichannel distribution such a high priority as compared to those that operate in developed markets.

6.2 Social media as a distribution channel

Social media and online communities have become a powerful communication channel through which to interact with their customers and promote new products services.

Social media are defined as new websites and information channels that allow an active relationship between firms and customers (Kaplan and Haenlein, 2010). Social media platforms such as Facebook, LinkedIn, and Twitter have witnessed rapid growth over the last few years. Recent studies demonstrate that in 2012, there are 1.43 billion social media users (+19, 2 compared to 2011), the social media usage is expected to growth to 67.6% in 2013 and 70.7% in 2014 (eMarketed, 2012).

These alternative channels can be considered a new source of information both for customers and firms, but can increase the complexity of the relationship (Van Bruggen et al, 2010).

The initial focus of insurers' social media strategies was to leverage this channel to communicate with their customers and promote their new products and services (NAIC; 2012). Recently, social media are implemented for broad purposes as increase visibility, create a strong relationship with their customers and build trust. Recent research demonstrates that insurance companies use social media to create spaces in which consumers can feel deeply involved in activities that are not strictly related to the world of insurance; to collect information on customers' issues and needs; to create a space in with collect customers' feedback (Castriotta et al, 2013). Another key use of social media by the insurance industry is to provide a public customer service in order to build and maintain relationships with consumers (Castriotta et al, 2013). Insurance companies are developing these new technologies in order to network and build a good reputation (NAIC, 2012). Additionally, Social Media can be a useful tool to help remove geoFigureical limitations that agents face when serving their clients.

6.3 Mobile as a new direct channel

With the growing development of information technology and the wireless telecommunication network, mobile devices have been expanding rapidly and have been emerging as important tools for consumers to use in their daily lives. Accordingly, people use mobile device (Smartphone, PC and tablet) not just to keep in touch with someone, but to express themselves, their attitude, feelings and interests (Shankar et al., 2010). Consumers are using mobile device to receive E-mail, to search information on Internet, to conduct online transactions, to login the social media account and to interact with their friends (Kleijnen et al. 2007). The three major characteristics of the mobile distribution channel are ubiquity, localization, and personalization (Watson et al, 2002). Ubiquity means that users have the ability to receive information and perform transaction from any location. Localization means that users can use mobile devices through GPS (*Global Positioning System*) through which firms and service providers can identify the location of the users and send and receive information to a specific location. Personalization means that firms and service providers can personalize services and information for an individual user (Watson et al, 2002). Mobile is being used to display information relevant in making consumption decisions (Larivière et al, 2013). Mobile technology offers customers convenience value because it facilitates customers to find relevant, targeted, location-based and timely information, enabling them to compare offers and make purchases anytime and anywhere (Lariviére et al, 2013). Additionally, mobile offers firms the possibility to integrate the customer into central elements of the service delivery process thank to ability of these technologies to spread information, to allow interaction between customer and firms (Lariviére et al, 2013; Hennig-Thurau et al., 2010). Insurance companies are starting to invest in mobile technologies for different reasons. First of all, customers are demanding 24/7 access for their research, purchase and service interactions through different devices: Smartphone, PC and tablet.

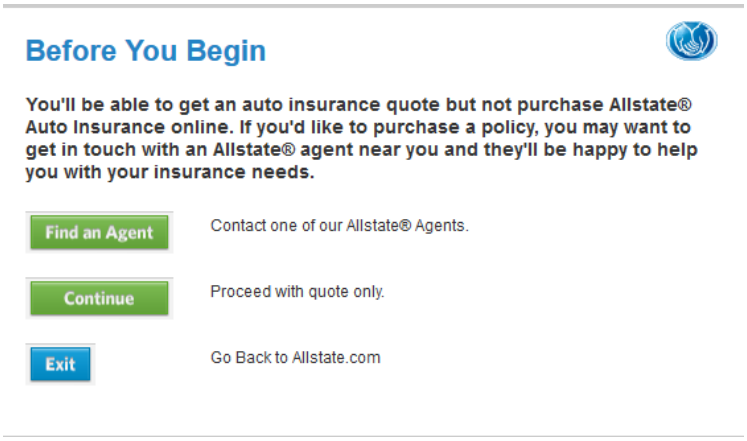
Secondly, insurers need to provide mobile options to increase or maintain their market share in a highly competitive environment. Thirdly, they can reduce customer service costs by increasing the use of self-service option through mobile (Capgemini, 2013). Insurance companies are using mobile apps to offer customized products to customers, to sell insurance products and to create an additional distinct channel (Capgemini, 2012).

7 Best Practice around the world: USA

As highlighted before, insurance companies in advanced and mature market such as USA have started to implement multichannel distribution strategies in order to increase their market and customer access and leverage opportunities derived from online channels. I reported below some of the best cases on the USA market: Allstate, Progressive, USAA and Aflac.

Allstate is the third largest non-life insurers and the 13th life insurer in US. The Allstate distribution network is composed by 14,800 exclusive agencies, exclusive financial specialists in the United States and Canada, and independent agents. In addition, Allstate utilizes financial institutions (banks), brokers, broker-dealers, and internet and telephone sales. In specific, non-life products are sold exclusively through independent agents. For life insurance, annuity, retirement, banking and investment products Allstate utilizes channels that include Allstate agencies, independent agencies, financial institutions and broker-dealers. To leverage the online channel and avoiding the conflict between online and offline channels, the company offers an online service called Online Ballpark Estimating Tool that enables customers on one hand to get auto policies in about two minutes and on the other hand find an agency by inserting personal information (name and surname) and the date of birth and. The Online Ballpark, then allows customer to decide if get a quote or find a closest agent by inserting the ZIP code (see Figure 1).

Figure 16-Allstate Online Ballpark Estimating Tool

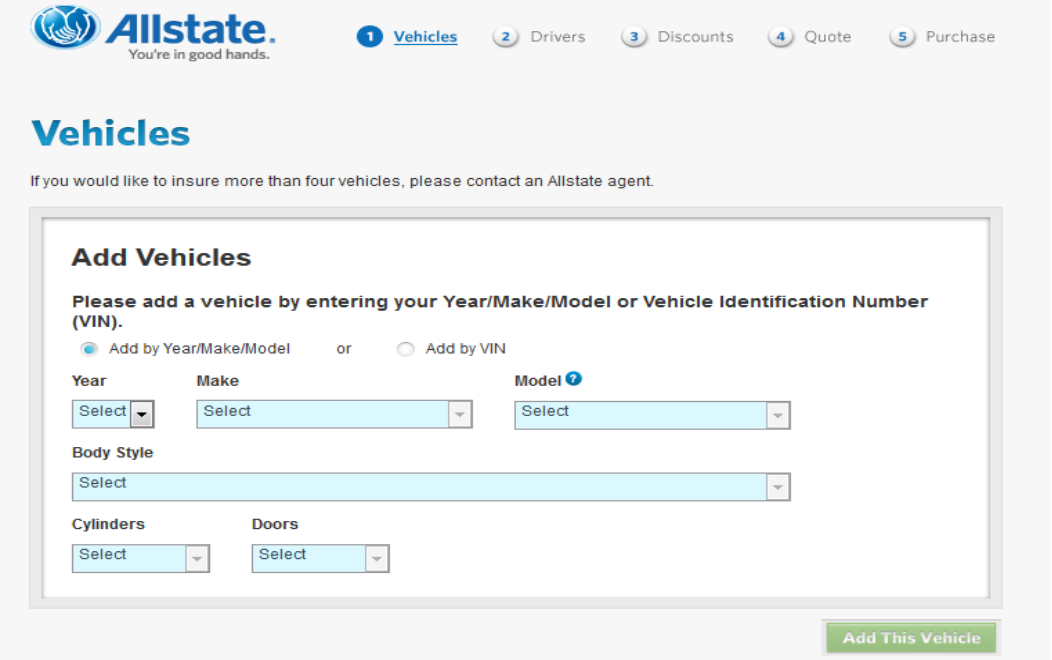


Subsequently, Online Ballpark shows on the map the nearest agencies and for each one provided additional information. Customers can directly contact the agent by email or ring up directly from the site web.

Figure 17-Allstate "Find an agent"

Conversely, if the customer chooses to proceed to the quote, the site web demands some information of the vehicle and the driver. Finally, the Online Ballpark allow to visualize the quote and make a purchase.

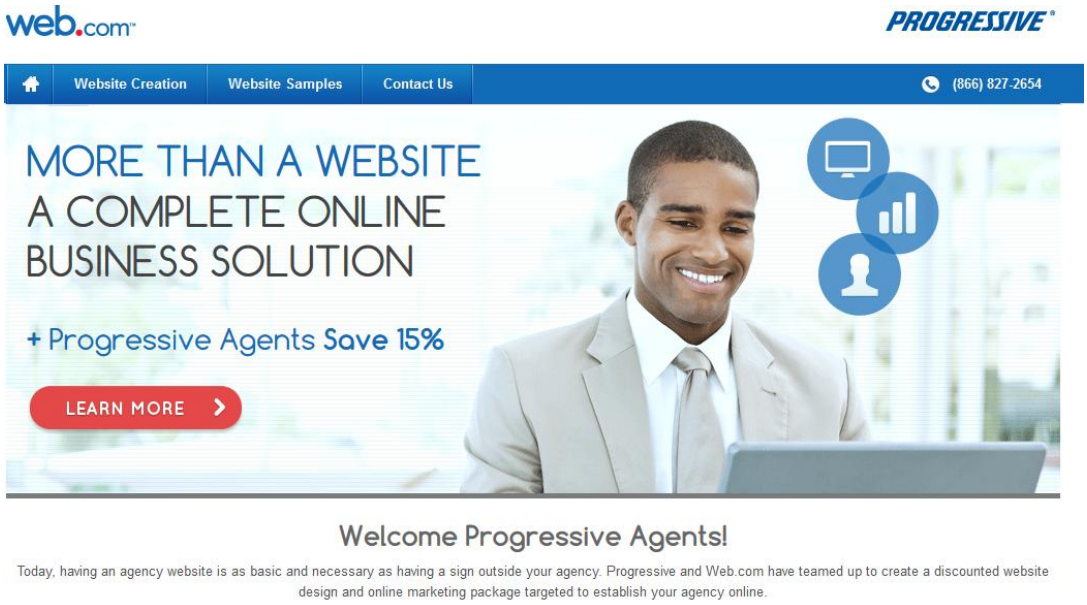
Figure 18-Allstate "Get a Quote"



Another interesting case is offered by Progressive Insurance the 9th largest non-life insurance US Company. It is a good example of multichannel integration imperative.

The multichannel integration imperative implies that insurance companies need to provide agents with the tools to help them monitor and improve the effectiveness of their social media investments; by providing starter kits, training, best practices, content, and seamless access to quoting and other transactional capabilities. Progressive Insurance to help their agents to thrive in digital world, signed a partnership with Web.com, a famous provider of Web services. Progressive offers a discount on Web.com's professional website design and online marketing package (see figure 4).

Figure 19- Progressive and Web.com partnership

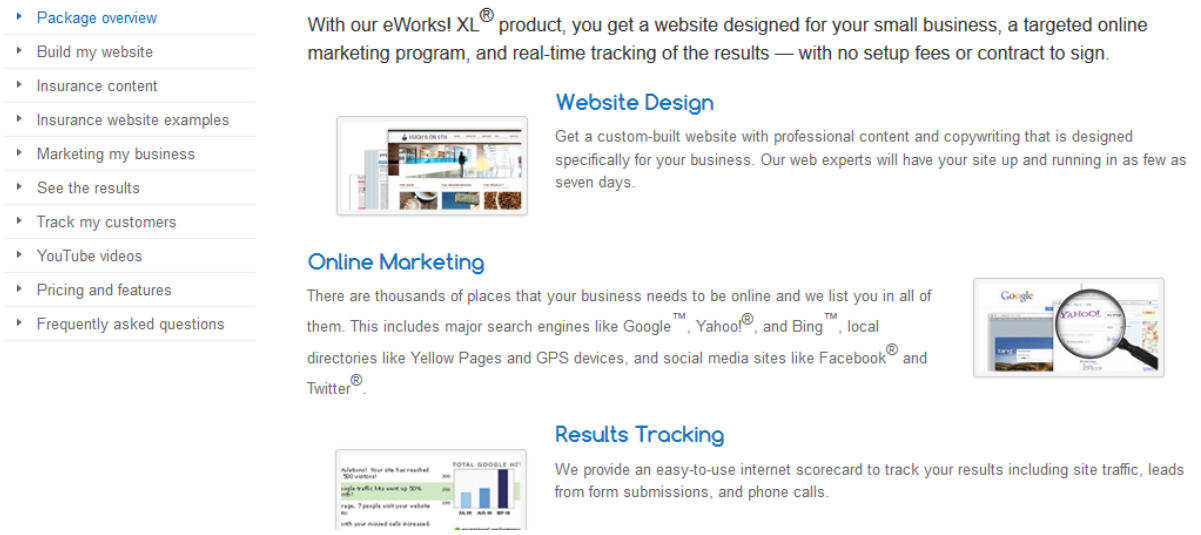


This partnership offers to Progressive agents offers:

- A discount off Web.com's base pricing
- A professionally designed Web site with a unique domain
- An agent RSS "news feed" providing regularly refreshed content relevant to independent agency customers and prospects
- Progressive's real-time agent quoting and servicing banner
- Sixty minutes per month of consultation with Web.com professionals for site changes or SEO modifications, and the ability to make do-it-yourself changes anytime
- A scorecard measuring real-time results including leads in the form of calls, e-mails, and clicks
- Listings on all major search engines and directories (see Figure 5).

The solution allows customers to receive online quotes while also maintaining a relationship with their agent, and provides lead-generation for agents (Accenture, 2012).

Figure 20- Services offered to Progressive' agents



Regarding the utilization of social media, I found that insurers in North America are using social media to actually influence purchasing decisions and drive sales, as well as to promote and protect the brand, and monitor negative and reactive behavior. One of the most utilized social media in US insurance industry is Facebook. As shown in Table 1, many US insurance companies are using Facebook, the first ten Facebook pages have over 5.7 million fans, with the largest being the Facebook page of Flo, the Progressive Girl, who has just over 3 million fans. (Customer Respect Group, 2013). It is important to notice that

Brand and mascot accounts such as Flo, The Gecko, and Mayhem, Aflac Duck tend to have strong like rates. The largest non-life insurance companies in US are well represented in this list and they present also good performance in term of engagement index (i.e USAA counted 24,039).

Table 26-Facebook Insurance Companies Pages

Page Name	Fan Count	Talking About This	Posts	Share/all Interactions	Engagement Index [6]
Flo, The Progressive Girl	3,225,128	18,114	19	2%	48,913
Farmers	2,349,20	32,275	2	15%	5,959

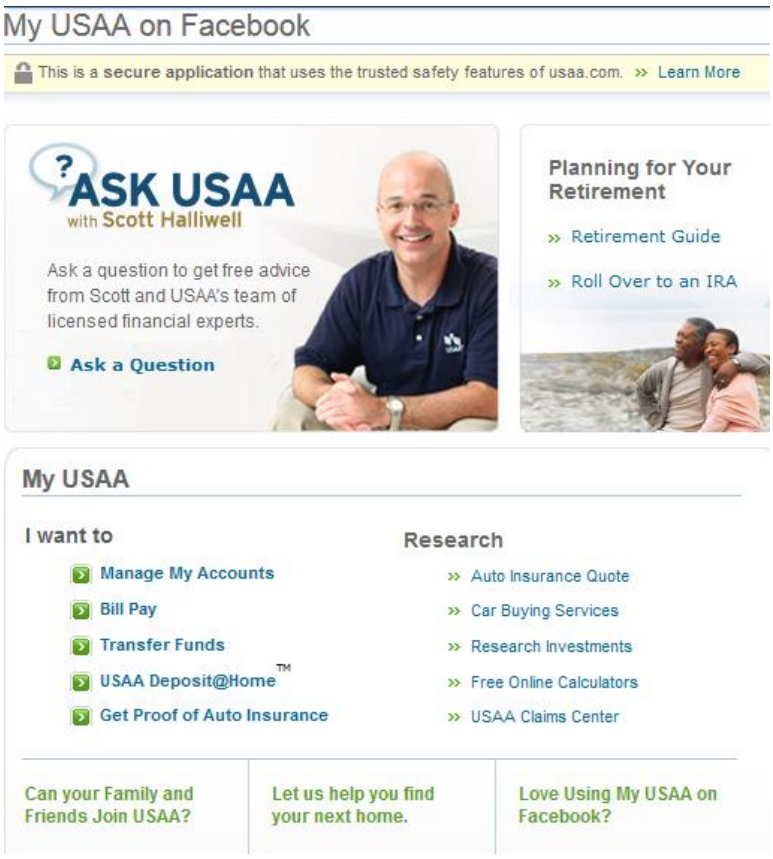
[6] Engagement Index is measure the interactions to company posts, calculate counted 'shares' and 'comments' weighted with 'likes' and poll votes.

Insurance					
State Farm Nation	1,316,819	6,074	35	6%	13,401
Aflac Duck	288,254	2,045	30	9%	9,392
USAA	200,585	6,716	37	6%	15,076
The Gecko (GEICO)	197,569	1,942	10	5%	5,850
GEICO	192,944	3,241	8	12%	3,031
State Farm Insurance	52,457	17,867	38	29%	13,788
New York Life	122,587	2,983	37	18%	7,694
The Hartford	108,935	248	20	12%	1,242
MetLife	89,469	11,753	89	10%	24,039
21st Century Insurance	66,825	4,971	16	2%	5,170
Allstate	42,176	788	38	23%	5,126
American Family	41,763	454	24	32%	2,842
Thrivent Financial	41,422	672	23	31%	9,849
Progressive Insurance	34,655	514	5	2%	416
Northwestern Mutual	23,774	420	16	40%	3,085
Primerica	21,477	1,023	53	12%	10,102
Aviva USA	17,781	525	5	9%	366
Mass Mutual	17,194	1,566	49	11%	1,229
Esurance	14,799	98	34	4%	617
Aflac	13,865	211	2	6%	848
Nationwide Insurance	12,112	155	19	8%	485
Liberty Mutual Insurance	10,464	318	22	23%	878
California Casualty	9,994	406	35	13%	3,175
Medical Mutual of Ohio	9,336	140	18	5%	284
Gerber Life	8,745	79	1	0%	88
Travelers Insurance	7,413	147	9	31%	651
Ameriprise	6,570	164	8	26%	796

Source: Customer Respect Group, 2011

One interesting case regarding social media strategies is offered by USAA, one of the first US insurance companies that approached these instruments. USAA is 10th largest non-life insurance company in US, it was founded in 1922 by a group of U.S. Army officers to self-insure each other. In 2008, it was one of the first in North America to embrace a formal social media strategy based on social listening. The company turned social data into a key element of the customer experience and organizational culture. Thank to this strategy, USAA created for Facebook users a "My USAA" tabs or application bookmarks on their Facebook pages (see figure 6).

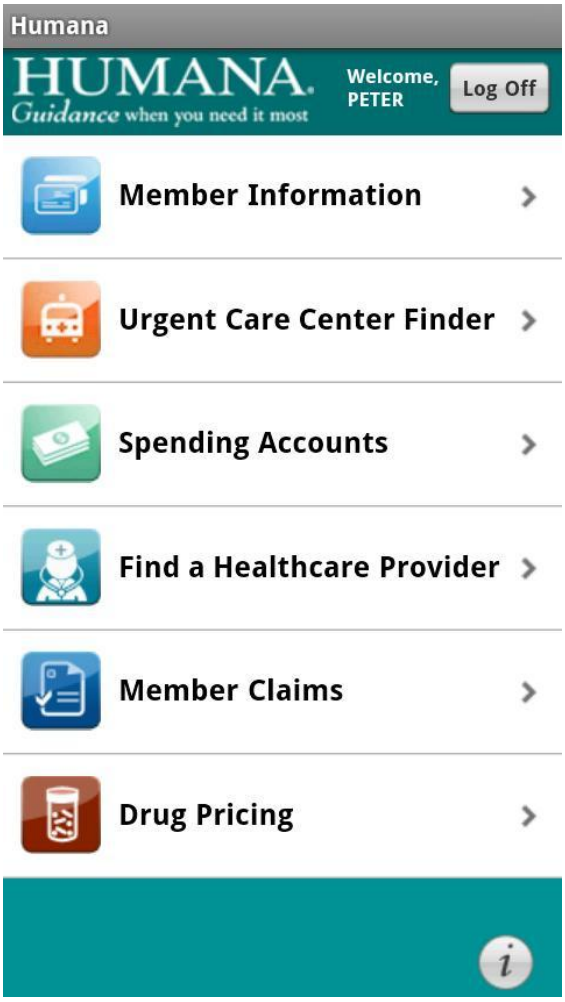
Figure 21- MyUSAA



Customers logged to the USAA Facebook page, can manage their account, pay bills, transfer funds, obtain proof of insurance and ask a question.

As said before mobile technologies are leveraging by insurance companies for different purposes ranging from provide information to allow transactions. One of the best examples in US market is offered by Humana, the second largest health insurer in US with over 11.1 million customers. Humana Inc.'s mobile app called MyHumana on of the most personalized and relevant self-service tool (Business Wire, 2012). MyHumana, leverages location based search to look for health care providers and to obtain provider credentials, affiliations, phone numbers, driving directions and maps (see figure 7). The app helps guide a patient to find the best doctor or health care practitioner based on their needs. The patient can use the app to directly fax their ID card information to the practitioner to verify benefits. Members can also use the app to review drug prices and alternative drug options (BusinessWire, 2012).

Figure 22- MyHumana mobile app



Another remarkable example of the potential offered by mobile technologies is offered by Progressive Insurance. Progressive started to invested on mobile technology in 2010, when launched an iPhone application to make insurance easier and more convenient for a broad range of mobile consumers. In 2012, the company launched a new mobile service that allow customers when shopping for a new car simply take a picture of a car's Vehicle Identification Number (VIN) bar code and find out what it might cost to insure it. Additionally, Android and Apple apps allow customer to finding a local agent, claims reporting, and bill pay. Users can update their address and other contact information--or even make a payment (see figure 8). Consumers can obtain advanced warning of bad weather by signing up for free severe-weather text alerts.

Figure 23-Progressive App

Additionally, Progressive has also invested to improve the efficiency of their agents providing them new technological tools. The company provided a dedicate site web called

AgentsOnly.com through which agents can easily quote and sell policies and perform up to 20 different transaction. Recently Progressive announced that this site web is accessible via tablet to its network of 35.000 independent agents.

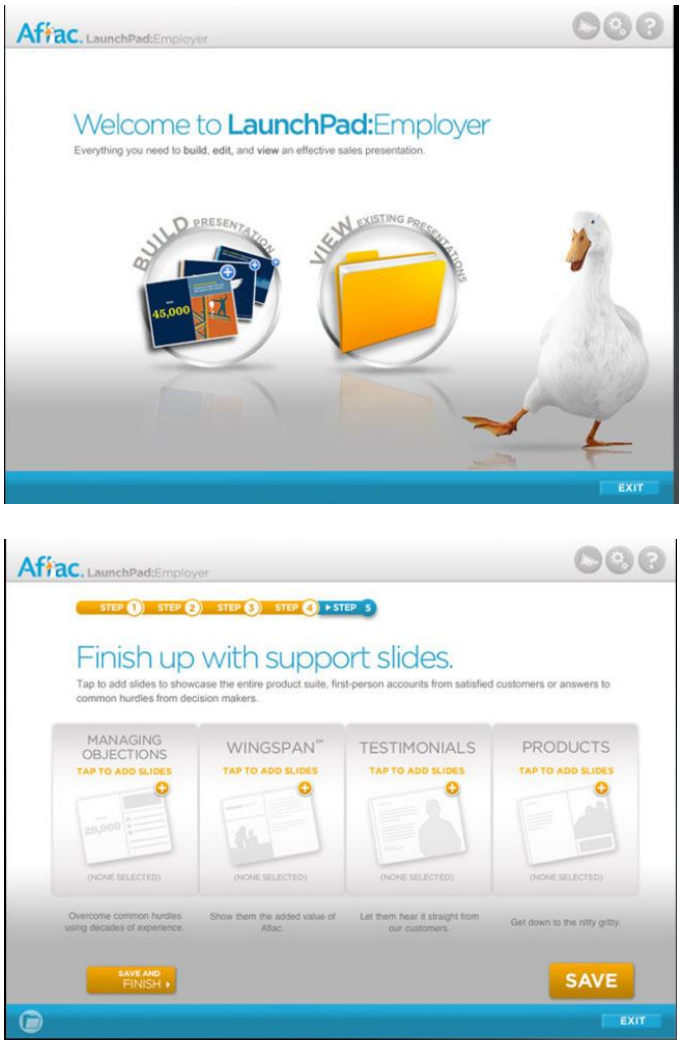
Another interesting case regarding the mobile technologies is offered by Aflac, the third life insurance company in United States that began to develop mobile applications in 2007. Actually, the Mobile Aflac platform provides information to policyholders about their contracts, product quoting and claims.

In December 2011, Aflac created a new iPAd app called Aflac LaunchPad, which provides to agents marketing presentations, product overviews and training materials, integrate video and regulatory information.

When the agent first launches the application, they are presented with a choice of whether they want to build a new presentation, or view existing presentations. If a user chooses to build a presentation, they are presented with a 3-step process to create that custom presentation. The first and second steps are related to general account information: presentation date, name of presentation, accounts to include in the presentation.

The 3rd and last step in the build process, allows the user to select which slides to include in the presentation (see figure 9).

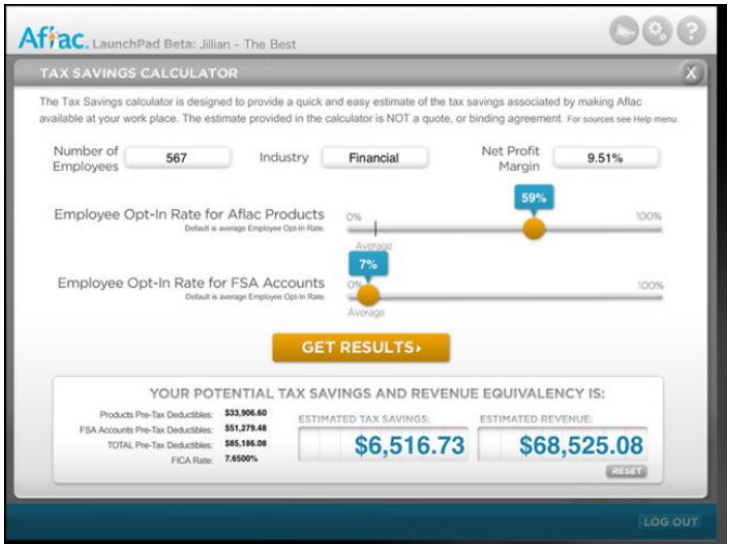
Figure 24- Aflac LaunchPad (first and final step)



The application also provides to users video content, tutorials and interactive calculators (see figure 10).

Alflac LaunchPad allows agents to build a customized and individually tailored presentation to their potential clients. Furthermore, the new application is helping Aflac agents deliver better service to customers.

Figure 25- *Aflac LaunchPad Calculator*



8 Best Practice around the world: Japan

Insurers in Asia-Pacific may not see multi-distribution as quite such a high priority as those in more developed markets (Europe and North America).

Japanese companies are investing in mobile technology to align their strategy to changing customer behaviors. Tokio Marine Nichido, the largest non-life insurance company in Japan developed a firm's app that was awarded the Asia Insurance Technology award in 2011 for the best mobile application in terms of customer experience. The insurance firm tied up with mobile carrier Docomo to provide a series of innovative insurance products named "One-Time Insurance" which can be bought and paid for by customers through its specialized mobile app. By monitoring user activity for a month, using location-based services, the app provides users with recommendations for certain lifestyle insurances such as skiing insurance, golf insurance, travel related insurance, etc. As a result of this, it has been successful in opening a new delivery channel that did not conflict with its current agency channels.

9 Best Practice around the world: Europe

In Europe as insurance companies are trying to develop consistent multichannel strategy to sell their product and service. One of the most important to understand how leading insurance providers are investing in key capabilities to develop a high-performing multi-distribution business is offered by ING Belgium. ING is a global financial institution of Dutch origin, currently offering banking, investments, life insurance and retirement services to meet the needs of a broad customer base. ING Belgium is a subsidiary of ING Group and offers banking, investments, life insurance and retirement services. In 2007, ING Belgium initiated transformations in the distribution of insurance products according to an integrated cross channel approach. The goal of this transformation was to allow customers to contract car insurance via an integrated multichannel environment including Internet, call centers and agency. This transformation needed an interaction between front and back office and between insurance service desk and claims-handling. The solution was based on an IT infrastructure that provides a full transactional capability for the agents' network, call center, the web site. The IT infrastructure enables the online payment system, the activity reporting by channel, inbound and outbound document handling (Capgemini, 2009a). According to this strategy, ING Belgium launched a platform ingauto.be, designed to enable customer to get a quotation online, call the customer contact center with queries using their reference number, and then complete the transaction in the physical store. Since its launch, ingauto.be's attracted nearly 65,000 new car insurance customers (Capgemini, 2009b).

In Europe, insurers are still struggling with the challenging economics of their business and markets, so few are investing heavily in social media. One successful example in term of transparency, communication, interaction and efficiency is Geniallyod, the online branch of Allianz in the Italian market. Genialloyd, on 2011, decided to promote a social media strategy in order to serve its customers through their preferred channel (Capgemini, 2013). After a 2-

year phased entry into social media, Genialloyd now uses a variety of platforms (including Facebook, Twitter, Google plus and YouTube; see table 24) to leverage social media primarily for customer service (Castriotta et al, 2o13). Genialloyd offers a rapid response (normally within minutes but always within 4 hours) to every customer request.

Table 27-Geniallyod Social Media Presence

Facebook	
Signup date	27/05/2009
Fans	19290
Talk about	222
Popular Week	18/11/2012
Age	25–44
Twitter	
Tweets	1603
Followers	2372
Following	1269
You Tube	
Signup date	31/05/2007
Uploaded videos	8
Members	85
Visualizations	82266
Google +	
Within circles	0
Circles people	299
I like	686

To ensure transparency in its social media transactions, Genialloyd's first response to any request or complaint is always public, without deleting any negative comments. Genialloyd is also using social media to drive an innovative fast-quote service for motor insurance, completely integrated into Facebook. The "Super Fast Quote" service allows customers to obtain a personalized quote just by providing their auto number plate and birthday. Facebook enables customers to "Like" the price if they want to accept it, and follow a link to finalize

the purchase via a secure payment system. Genialloyd offers a premium discount of 4% to policies provided via Facebook.

Regarding mobile technology the same reflections highlighted for social media apply: European Insurers are less focused on mobile compare to US ones, they are concentrated on the ongoing economic crisis. Nevertheless, there are some interesting examples in the non-life segment. Aviva, the leading British insurer, has developed an app called "RateMyDrive". Aviva's app uses GPS and smart phone telematics to assess drivers' risk profiles. The app allows drivers to have their first 200 miles monitored for information on acceleration, braking and cornering. Drivers with low risk profiles are eligible for a premium discount. Additionally, AXA, a leading French insurer, developed a comprehensive set of apps for each of its family of products (car, home, health, etc.), enabling customers to manage their contracts, providing access to various services and helping them to file claims. These apps were customized for multiple European countries in order to have a consistent positioning across markets. The AXA mobile project had a strong executive-level sponsorship and its key strategic priority to develop multichannel contact points in mature markets was defined upfront, providing a foundation for success.

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2 MULTICHANNEL STRATEGIES IN A DIGITAL ENVIRONMENT: THE INITIAL TRANSFORMATION OF INSURANCE COMPANIES

ABSTRACT

While a great amount of literature has focused on multichannel distribution strategies there is a little theory or systematic research on the relationship between multichannel strategy and competitive advantage. Based on the dynamic capability and IT capability literature, this paper aims to contribute to this body of knowledge by first proposing a conceptualization of a multichannel capability defined as "the ability of an organization to effectively integrate and manage multiple distribution channels through data integration and coordination enabled by IT". This quali-quantitative study examines how the firm's multichannel capabilities influence the creation and sustenance of competitive advantage in turbulent environments.

Keywords: dynamic capabilities, competitive advantage, multichannel capability, multichannel strategy.

1 INTRODUCTION

Information Technology (IT) and the Internet have revolutionized the range of ways channel customers interact with firms (Froehle and Roth, 2004). Internet, kiosks, Automated Teller Machines (ATMs), call centers, direct marketing, as well as social media and mobile technologies, are the places customers currently perform their shopping activity. The addition of new channels has increased the complexity of firms' operations because it opens up new customer contact points (Hughes, 2006). In today's rapidly changing environment, firms need to diversify, adapt, and even reinvent themselves to match evolving market and technological conditions (Eisenhardt and Martin, 2000). A dynamic capability perspective can be effectively used in explaining how certain firms achieve a sustainable competitive advantage in situations of rapid change through continually adapting and reconfiguring resources (Eisenhardt and Martin, 2000; Teece et al., 1997).

Although research on multichannel management offers important insights (Neslin et al., 2006) on issues such as channel choice (Montoya-Weiss, Voss, & Grewal, 2003), on the value of multichannel versus single channel customers (Ansari et al., 2008), and on the importance of IT in integrating their business processes across their traditional and digital channels (Oh et al, 2012), several research and managerial questions remain unanswered (Neslin & Shankar, 2009; Rangaswamy & Bruggen, 2005). In this vein, scholars have called for specific research efforts to better understand how the use of digital and offline distribution channels could lead to sustainable a competitive advantage (Neslin and Shankar 2009; Rosenbloom 2007; Zhang et al. 2010). To achieve this objective, I define a new "multichannel capability" as "the dynamic ability of an organization to effectively integrate and manage multiple distribution channels through data integration and coordination enabled by IT." The goal in this study is two-fold: 1) to identify the main dimensions or skills that comprise a firm's capability to manage multiple channels and 2) to understand the

relationship between the multichannel dynamic capability and competitive advantage. Addressing this need, this paper attempts to build a coherent theoretical framework of multichannel distribution by drawing on the dynamic capability-based view of competitive strategy and by using multiple case study evidence.

The first part of this paper will address the conceptualization of the multichannel capability construct. I then present the research methodology and the major findings. Finally, I offer critical reflections highlighting future directions.

2 LITERATURE REVIEW

In fast-moving business environments open to global competition and characterized by dispersion in the geographical and organizational sources of innovation and manufacturing, sustainable advantage requires more than the ownership of rare and difficult to replicate resources (Barney, 1991). The dynamic capabilities approach is useful to explain how firms adapt and take advantage of fast moving environments. Dynamic capabilities enable firms to renew their competences to meet changing market requirements, and they include the ability to integrate, learn, and reconfigure internal and external organizational skills and resources (Eisenhardt & Martin, 2000; Teece et al, 1997). Dynamic capabilities are firm-specific and are realized and transformed over time through interactions among a firm's resources (Eisenhardt & Martin, 2000). Examples of dynamic capabilities include the development of new products or services (Eisenhardt & Martin, 2000); the creation and modification of capabilities for the management of acquisitions or alliances (Zollo & Winter, 2002); R&D activities (Helfat, 1997); and acquiring and assimilating external knowledge.

In this work, I emphasize that dynamic capabilities enable firms to renew their competences and enhance their ability to integrate, learn, and reconfigure internal and external organizational skills and resources to gain competitive advantage (Teece et al., 1997). Dynamic capability can be disaggregated into the capacity (1) to sense and shape

opportunities, (2) to seize opportunities, and (3) to maintain competitiveness through enhancing, combining, protecting, and reconfiguring their intangible and tangible assets (Teece, 2007). This is the definition of dynamic capabilities I have adopted to facilitate the development of the argument. Sensing new opportunities (Teece, 2007) refers to the extent to which an organization's members devote their efforts to learning about events in their organization's environment (Danneels, 2008) and identifying new opportunities (Wang & Ahmed, 2007). The activity to scan, monitor, and analyze opportunities not only involves investment in research activity; it also involves understanding latent demand and the structural evolution of the market and gathering information through different channels (Danneels, 2008; Teece, 2007). Reconfiguring is the ability to recombine and reconfigure assets and organizational structures as the enterprise grows and as markets and technologies change, as they surely will. Reconfiguration is needed to maintain evolutionary fitness and, if necessary, to try to escape from unfavorable path dependencies (Teece, 2007). The general framework advanced by Teece (Teece, 2007) considers dynamic capabilities as the foundation of enterprise-level competitive advantage in circumstances of rapid change. To develop the arguments in this paper, I adopt the IT capabilities perspective that emerged recently as a new research stream in the dynamic capability literature (Bhatt & Grover, 2005). Some researchers have introduced and expanded the concept of IT capabilities, arguing that managing IT can be a capability that potentially creates uniqueness and provides firms with a competitive advantage (Bhatt & Grover, 2005; Pavlou & El Sawy, 2006). IT capabilities are an organization's abilities to adjust their IT resources to fit fast changing environments (Pavlou & El Sawy, 2006). Superior IT capabilities allow firms to respond quickly to environmental threats and leverage opportunities (Bhatt & Grover, 2005).

3 MULTICHANNEL CAPABILITY

The rise of new technologies and the evolution of customers' needs are the determinants in how firms constantly transform their distribution channels to better serve customers (Neslin et al. 2006).

Many firms have recognized that multiple channels can be a source of value creation and a way to expand the traditional routes to the market (Binder et al. 2012). Firms have moved to integrate digital channels such us mobile technologies and social media into their channel mix to supplement brick and mortar retail channels (Steinfield 2002; Vanbruggen et al. 2010). Consequently, firms are required to combine their resources in new ways and to gain additional resources to adapt to changes in the business environment (Eisenhardt & Martin, 2000). Consistent with the dynamic capability perspective, I propose that firms have to develop a new dynamic capability to respond to these transformations. I define "multichannel capability" as "the ability of an organization to effectively integrate and manage multiple distribution channels through data integration and coordination enabled by IT."

I theorize multichannel capability as a dynamic capability for two reasons. First, it depends on a specific and identifiable process in which firms combine their various business, functional, and personal expertise to make the choices that shape their major strategic moves (Eisenhardt & Martin, 2000). Second, multichannel capability allows firms to reconfigure internal procedures and develop new channel combinations to satisfy customers' needs (Cabiddu, 2010). Indeed, multichannel capability concerns the adoption of both traditional and digital distribution channels in an integrated way, reconfiguring internal competences and procedures, and configuring new IT assets and capabilities.

An example of multichannel capability is offered by ASDA (www.asda.com), a British grocery firm. In recent years, ASDA has integrated online and offline channels. Customers are now able to create an online shopping list and retrieve the list of items they ordered at a

physical store. ASDA, by integrating customers' data from both the online and offline channels, has gained an advantage by formulating new offers based on customers' preferences at lower costs.

3 OVERVIEW OF STUDIES

The aim in conducting this research is 1) to investigate what are the main dimensions that comprise multichannel capability and 2) to understand how the relationship between multichannel capability and competitive advantage emerges. To accomplish the goal of this paper, I conducted two exploratory studies. In Study 1, I chose an exploratory multiple-case study to first analyze the new multichannel capability and its relationship with competitive advantage.

Extending the first study in Study 2, I attempted to quantitatively validate the results obtained in Study 1 to examine the generalizability of findings.

4 STUDY 1: METHODS

To respond to the research question, I opted for a multiple case study design (Eisenhardt, 1989). Case studies are a preferred research strategy for examining complex social phenomena because they allow researchers to interact with the informant and to draw on multiple sources of information, leading to information-rich cases (Yin, 1984). In addition, a qualitative methodology is preferred to investigate dynamic capabilities because they are embedded in firms' organizational routines and processes (Eisenhardt and Martin, 2000) and are thus very difficult to identify through quantitative research.

4.1 Research Setting

To achieve the goal of this study, the insurance sector was chosen as the research domain for various reasons. The insurance industry was particularly suitable for this study given its information-intensive nature, where IT adoption stimulates the creation of new and diverse products and impacts business strategies and core processes (Francalanci & Galal, 1998).

Second, insurance companies are forced to expand their online activities to meet the changing needs of consumers and reduce costs by providing a less expensive new distribution (Cata & Lee, 2006). The insurance sector can benefit from web technologies that help insurers offer new products and services faster, operate more efficiently, and respond to market challenges (Mosley, 2012). I focus the study on the Italian market, the seventh largest in the world (Swiss Re, 2012), in which the widespread use of social media, mobile technologies and e-commerce has affected the traditional agent-based distribution system. In addition, the Italian insurance market has recently experienced internal transformation due to a new regulation according to which insurance companies are obliged to provide each customer with a reserved online area through which they can 1) visualize contract conditions, payment statuses and deadlines and 2) make payments and renewals (Decreto Crescita 2.0, 2012).

Accordingly to these transformations, Italian insurance companies need to re-think all their sales operations, distribution processes and internal structures.

I selected extreme cases with the polar-type sampling procedure to more easily observe contrasting patterns in the data (Eisenhardt and Graebner, 2007). I created two groups and compared them: one group being higher performing in terms of premiums written in 2012 and the number of channels employed and the other being lower performing in these aspects. The characteristics of the sample firms are summarized in Table 1. The high performing companies in this study represented approximately 60 % (in term of total premiums) of the Italian insurance market.

Table 1- Description of Cases

Cases	**Premium Written (millions of euros)**	**Market Share**	**Channels Utilized**	**Performance**	**Informants/ N° of Interviews**
C1	22.545.533	20,1 %	Captive Agents, Independent Agents, Call Center; Internet,	High Performing	CEO (1) Vice-General Manager (1) Sales Director

			Bancassurance,		(1) IT Manager (1)
C2	16.037.560	14,40 %	Captive Agents, Call Center, Internet	High Performing	General Manager (1) IT Manager (1)
C3	11.789.141	10,54 %	Captive Agents, Bancassurance, Brokers, Internet, Contact Center	High Performing	President (1) CEO (1) General Manager (1) Vice-General Manager (1) Sales Manager (2) Marketing Manager (2) Communication Manager (1) IT Manager (1)
C4	7.500.980	6,71 %	Captive Agents, Vendors, Brokers, Internet	High Performing	CEO (1) Sales Manager (1) Marketing Manager (1) IT Manager (1)
C5	6.720.763	6,01%	Captive Agents, Bancassurance, Vendors, Brokers	High Performing	CEO (1) IT Manager (1)
C6	2.691.851	2,41%	Captive Agents	Low Performing	Marketing Manager (1) Communication Manager (1)
C7	1.873.625	1,67 %	Captive Agents, Brokers	Low Performing	Sales Manager (1)
C8	1.132.609	1,01%	Bancassurance	Low Performing	Marketing Manager (1)
C9	504.932	0,45%	Captive Agents, Bancassurance, Financial Institutions.	Low Performing	CEO (1) Marketing Manager (1)
C10	412.640	0,37 %	Bancassurance	Low Performing	CEO (1) IT Manager (1)

4.2 Data sources

I collected data from different sources: 1) annual reports; 2) archival data, including governmental and business publications; and 3) semi-structured interviews. The primary data-collection method was the semi-structured interview. To limit bias, I interviewed highly

knowledgeable informants on the commercialization and distribution of insurance products (Eisenhardt and Graebner, 2007). In particular, I interviewed general managers to gain knowledge about the general strategy of the company; IT managers to understand how information collected through channels is analyzed and stored across the company and what types of capabilities are indispensable to manage digital and traditional channels; and Marketing, Sales and Communication managers to gain knowledge on distributional and commercial processes and marketing and promotional strategies. I conducted thirty interviews over 12 months (see Table 1). The main purpose of these interviews was to gather information to understand what are the main dimensions or skills that comprise a firm's capability to manage multiple channels and 2) to understand the relationship between the multichannel dynamic capability and competitive advantage. The interview questions were based on inputs from the dynamic capability framework, multichannel distribution and IT capabilities literature. I integrate different research streams to gain a complete understanding of the phenomenon.

The protocol was pilot tested with two general managers of two high-performing insurance companies (Yin, 1984). The feedback on difficult questions and ambiguities obtained during the pilot test enabled us to refine the questions to include aspects of the phenomenon I have failed to include. The interviews typically lasted one hour. I received permission from all informants to audio record their interviews, which I transcribed. These interviews typically lasted 50–70 minutes.

I also collected diverse secondary data (statistics, annual reports, press releases, newspaper articles) on each case. Additionally, I collected data on each case from the governmental institution and from trade associations (i.e., Isvap and ANIA).

As is typical in case studies, the interview data were triangulated with other data such as statistics, annual reports, balance sheet and website data. Triangulation is an attempt to secure

an in-depth understanding of the research phenomenon (Yin, 1984).

4.3 Data analysis

The data collected during interviews was analyzed by conducting a preliminary within-case study followed by a cross-case comparison (Eisenhardt, 1989), revisiting the data and often using charts and tables to facilitate comparisons between cases (Miles and Huberman, 1994).

I used the software program Nvivo 10 for coding and analysis. Initially, I started with an initial list of code based on the pre-understanding of the research domain, both on dynamic capability and multichannel distribution (Miles and Huberman, 1984). I used the dynamic capabilities classification proposed by Teece (2007). I then conducted a second round of analysis of the categories that initially emerged, looking for relationships and redundancies, reduced overlaps, and combined common themes. In the second stage of the data analysis, new codes emerged from different understandings of the data, prompting us to return to the first stage by recoding the data in search of these codes, namely, data integration and the coordinating capability concept. The data were coded independently by two researchers, and inconsistencies were resolved by consensus. After coding 15 interviews, I did not find new themes in the remaining sources of data; this absence of novel codes suggested that we reached "theoretical saturation" (Strauss and Corbin 1998).

This section presents the findings from the multiple-case analysis. I report the main dimensions that comprise multichannel capability as well as the relationship between dynamic capabilities and competitive advantage. Evidence from case studies has given rise to the existence of different factors of the multichannel capability that determine a firm's overall multichannel capability effectiveness. The first contribution of our work made possible by the qualitative analysis was to develop the constructs behind multichannel capability, including sensing capability, seizing capability, coordinating capability and data integration.

5 STUDY 1: RESULTS

5.1 Multichannel Capability: Sensing

Evidence from case studies indicates and suggests that sensing capability is defined as the ability to scan the environment and identify new opportunities (Teece, 2007). The following quotation illustrates the ongoing process for both high and low performing companies:

"We always have to know what our customers want. The only lesson is to listen to what people are talking about. We dialog with our customer every day by mail" [Marketing Manager Company C3]

"We start analyzing customer behavior – what was the impact on insurance when customers started using online channels. We also tried studying other industries and their digital initiatives to identify new opportunities" [Sales Manager Company C7]

Our data shows, for both high and low performing companies, that sensing capability is manifested in different ways. First, gathering information about customers, new trends and changes in their environment is an imperative to succeed (see Table 3). These findings are supported by previous studies that have found that the sensing capability requires the constant monitoring of markets and technologies (Teece et al., 1997; Wang & Ahmed, 2007). The literature has recognized that monitoring and analyzing the external environment enhances the recognition of opportunities for the firm in terms of new technologies (Danneels, 2008). Data confirm that the second aspect of sensing capability is related to scanning the environment in which firms operate to find new technologies. In particular, companies recognize that new distribution channels, such as mobile and social media that allow customers to interact with companies, are sources of new opportunities (see Table 2). Additionally, they are conscious of the benefits potentially arising from the adoption of new technologies. In selected cases, customers are not the only source for the sensing of new opportunities. Both high and low performing companies asserted that the network of agency

scattered in the territory plays a key role in recognize new customer trends and opportunities (Table 2).

Table 2- Different Aspects of sensing capability

Sensing Capability	**Aspects**	**Illustrations**
Customer Sensing	Monitoring and gathering information about new and emerging markets to build deep customer knowledge.	*"Our marketing department generally gathers information through different channels. We try to transform the new customers aspiration into new products".* [Sales Manager Company C7]
Technology Sensing	Scanning and exploring sources outside firms to recognize opportunities related to technological changes.	*"We read trade publications, magazines, reports to identify promising new technologies and new ways of performing transactions to meet customers' evolving demands".* [Marketing Manager Company C9] *"Customers today want to be served through all different points of contact or channels such as mobile app and Facebook, so we must invest in technology and push our digitalization strategy forward".* [CEO Company C3]
Partner Sensing	Accessing information through partner relationships.	*"We periodically confront with our agents to check what the new customer's trends are. They are the premier channel for create a personal relationship and delivering differentiated customer experiences which are keys to achieving growth in our company."* [General Manager Company C3]

5.2 Multichannel Capability: Seizing

The interviewees told that to better implement multiple channels companies need to have a seizing capability, which is described as the capability to address new opportunities through creating new products, processes, or services (Teece, 2007). Data do not manifest significant differences between high and low performing companies in terms of seizing capability. The following quotation illustrates the process for a high performing company to address new opportunities derived from the proliferation of multiple channels.

"Our companies devotes a lot of time implementing ideas for new services and improving our existing services when we recognize a new market opportunities" [General Manager Company C5]

The presence of a seizing capability can improve the speed, effectiveness, and efficiency with which firms respond to environmental changes (Teece, 2007). Data show that seizing capability is manifested in different ways. First, addressing new opportunities implies that companies invest time and efforts to propose a new product/service or new modalities to commercialize their products (see Table 3). The literature has recognized that responding to new opportunities implies redesigning the business process to meet customer needs (Ellonen, 2009; Jaworski & Kohli, 1993; Teece, 2007). Data confirm this aspect regarding activities such as designing new products and finding new ways to perform transactions to provide customers an integrated experience across the different channels proposed by companies.

Table 3- Different Aspects of seizing capability

Seizing	**Aspects**	**Illustrations**
Addressing Opportunities	Investing time, efforts and resources to address new opportunities.	*"When we recognize a new opportunity, different departments meet together to plan a response to changes taking place in our business environment".* [General Manager Company C5]

Restructuring Internal process	Designing, offering and distributing products or services to react to new sensed opportunities.	*"We created a quick and easy way to approach the insurance Home and Family, little known in Italy and much less expensive than you might imagine. Customers can obtain a quotation to the Home insurance sending a SMS….Our strategy technological innovation and dialogue with our customers allows us to anticipate needs and expectations and save time, not just money."* [General Manager Company C3]

5.3 Multichannel Capability: Coordinating

Teece et al. (1997) argue that "dynamic capability is embedded in distinct ways of coordinating" (p. 519). Additionally, Quinn and Dutton (2005) have noted that "coordination is the process people use to create, adapt, and re-create organizations" (p. 36). Coordinating capability implies assigning resources to tasks (Helfat & Peteraf, 2003) and identifying complementarities and synergies among tasks and resources. Coordination capability is a facet of the reconfiguring capability (Teece, 2007). Once a new opportunity is sensed and seized, companies need to reconfigure internal processes to coordinate their activities.

Findings allow introducing the coordinating capability concept within the multichannel context. I found that high performing companies realized multichannel distribution by adopting both digital and traditional channels (see Table 1), and they demonstrated the importance of coordinating people, tasks, processes and activities by re-engineering business processes to ensure interoperability between their digital and physical channels. The following quotation expresses the importance of coordinating different processes:

"When we leveraged online channel, in marketing and distribution functions, instead of replacing the way things were being done, we tried to complement these processes. It's still an evolving process." [General Manager Company C1]

Based on this statement, I can affirm that in a multichannel environment the coordinating capability is expressed when companies harmonize marketing and promotion activities across channels (i.e., coordinated advertising and publicity of one channel through another channel). At the same time, some low performing companies, although recognizing the importance of coordinating various distribution channels, do not set up any integration and coordination processes (Table 4).

Table 4-Differences in coordinating capability

Companies	**Feelings**	**Illustration**
High Performing	The capacity to coordinate roles, responsibilities, and tasks for coordinating activities into multiple channels.	*"We are trying to coordinate marketing and promotion activities across channels by for example communicating new promotion in agency through site web. Our objective is to create a consistent image for our customers".* [Marketing Manager Company C4]
Low Performing	Recognizing the opportunities to integrate and coordinate channels not already implemented	*"There are no connecting elements between the various distribution channels. In my opinion, the growth of our company is the integration between the various distribution channels, but it is still important work to be done, but I think it's necessary"* [Sales Manager Company C10]

5.4 Multichannel capability: Data Integration

Another important element, which emerged through the initial list of codes, is the opportunity for a company to obtain a single view of the customer by integrating their data across channels. Data integration capability is a facet of the reconfiguring capability (Teece, 2007). Reconfiguring capabilities included the firm's ability to identify and build relationships with customers it does not yet have, which involves building new resources in order to serve those new customers and the ability of the firm to build new technological competences

The emergence of new channels implies the restructuring of the processes, tools and assets to collect, store and analyze customer data.

Based on the previous literature (Neslin et al, 2006; Zhang et al, 2010), data enable us to define "data integrating" as the capability to integrate and manage customer data from different distribution channels. Two high performing companies affirmed the following:

"We have set procedures for collecting customer information from online and offline channels. This will certainly increase a business' efficiency, while lowering costs." [IT Manager Company C3]

"We collected customer data from different channel, and these data captured in one part of our firm are immediately available to the rest of our company." [General Manager Company C3]

One of the fundamental reasons firms integrate customer data is to "understand consumer behavior and evaluate channel performance" (Neslin et al. 2006) and to fulfill customers' needs (Zhang et al. 2010). High performing companies are able to satisfy customer needs because they understood the importance of collecting, managing and integrating customer data that come from digital and traditional channels. The following statement summarizes the situation as follows:

"In fact, the extreme personalization of customer's profiles allows us to apply rates on average 30 % lower than the competitor providing customers with a real opportunity for savings. Our strength is, as always, the high quality of service, security, efficiency and quality assistance" [General Manager Company C3]

At the same time, low performing companies did not fully understand the increased value that could have been obtained by integrating customer data, as the following quote expresses:

"We do not have the instruments and technologies to manage customer data coming from different channels… We believe that in not the way to gain success in this hypercompetitive context "[General Manager Company C6]

Summary of the results

I found that four complementary capabilities define the multichannel capability. Table 5 lists the major constructs and proposes a definition for each. Based on findings, I can highlight that low and high performing companies exhibit differences regarding the complementary capabilities (i.e., sensing, seizing, coordinating and data integration). In the case of sensing capability, both low and high performing companies are able to scan new opportunities derived from changing customers' needs, technological breakthrough and the proliferation of distribution channels. Therefore, I can affirm that they have strong sensing capabilities. In the case of seizing capability, the same considerations are valid. High and low performing companies are able to address new opportunities and restructure internal processes, so I can affirm that they have a strong seizing capability. High performing companies have set up resources, so I can assert that these companies present strong coordinating capability. Conversely, low performing companies, although they recognize the importance of coordinating resources, activities and tasks within digital and traditional channels, do not set up any integration processes. Based on this finding, I can affirm that these companies present a weak coordinating capability. A similar consideration can be found in the data integration

capability. High performing companies are able integrate and manage customer data from different distribution channels. Conversely, low performing companies do not integrate customer data and, in the same case, do not implement the necessary technologies.

In summary, as shown in Table 5, the data revealed that the high performing companies shared the same positive attitude in terms of sensing, seizing, coordinating and data integrating. Conversely, the low performing companies, with few exceptions (sensing and seizing), performed negatively on these four key factors.

Based from these results, I can affirm that having strong sensing and seizing capability is not a satisfactory condition to develop and maintain a multichannel capability. High performing firms can outperform competitors by reacting more effectively to changing environments through integrating their resources, capabilities, and information in both digital and traditional channels

Table 5- Multichannel capability construct

Code	**Description**	**High performing Company**	**Low performing Company**
Sensing	The ability to understand the environment and market conditions, identify market needs, and spot new market opportunities (Teece, 2007)	Strong	Strong
Seizing	The capability to address new opportunities through creating new products, processes, or services (Teece, 2007).	Strong	Strong
Coordinating	The ability to manage and synchronize businesses resources and tasks on a continuing basis (Pavlou	Strong	Weak

	& Sawy 2011).		
Data Integration	The ability to integrate and manage customer data from different distribution channels (Neslin et al. 2006).	Strong	Weak

5.5 Multichannel capability and IT capabilities

Another important element, which emerged through the initial list of codes, is the role played by IT in enabling multichannel strategies. First, I can affirm that IT is responsible for the proliferation of distribution and communication channels that have dramatically changed the way customers interact with firms, in line with the multichannel literature (Froehle & Roth, 2004; Oh et al, 2012; Zhang et al, 2010). Second, I recognize the existence of IT capabilities that are critical to enabling multichannel capability. Regarding this second aspect, the presence of IT capabilities explains an IT unit's ability to provide services, support and experience to other business functions to effectively manage multiple distribution channels (Oh et al, 2012). As shown in the following quotation from one IT Manager, the focus was on providing infrastructure and tools to management to manage multiple channels.

"Our IT unit is also providing new tools, approaches, procedure and IT infrastructures critical to analyze the huge amounts of data that we collect from various sources and channels. We are working with the management to define and expand best practices on digital customer engagement." [IT Manager Company C1]

Overall, I observed that IT units, especially those of high performing companies, focused on the IT capability to provide extensive firm-wide IT infrastructure services that support the firm's business processes. This type of IT capability seems to fit with Fink and Newman's (2007) categories of IT infrastructure (see Table 6). Accordingly, IT infrastructure enables firms to (1) identify, develop and renew key applications rapidly, (2) share customer

information across all channels deployed by a firm, (3) and exploit opportunities to respond to changes in business strategy (Fink & Newman, 2007; Fink, 2011).

I also observed that the ability of IT units to realize this type of IT capability seems to fit with Fink and Newman's (2007) categories of IT personnel capability defined in terms of knowledge and skills possessed by IT personnel (see Table 6). As shown in the following quotation, these capabilities encompass both the technical expertise of the IT group and the knowledge about the overall business environment and specific organizational context.

"Our IT personnel know company's policies and plans and they propose new technical solution to management in order to leverage new opportunities….Our IT unit provide to other functions channel management services such as the development of mobile applications" [IT Manager Company C3]

Table 6- IT capabilities enabling multichannel capability

IT capabilities	**Definition**	**Illustration**
IT Infrastructure	IT capabilities explain an IT unit's ability to provide services, support and experience to other business functions to effectively manage multiple distribution channels (based from Fink and Newman, 2007).	*"At the operational level, IT unit enable models of multi-channel service fully integrated with the mobile and social world, able to adapt to the preferences of the customer relationship and to meet the expectations of service" [IT Manager Company C1]*
IT Personnel Capability	The IT personnel's capabilities are defined in terms of knowledge and skills possessed by the IT personnel.	*"Our IT personnel closely follow the trends in current information technologies, interpret business problems and develop appropriate technical solution"* [IT Manager Company C4]

5.6 Multichannel Capability and Competitive Advantage

The second research question calls for understanding how the use of digital and traditional distribution channels could lead to sustainable competitive advantage. In particular, I focused

our analysis on better understanding the relationship between multichannel capability and competitive advantage.

To respond to this research question, I asked respondents if a distribution strategy can be considered a potential source of competitive advantage compared with their competitors. To further understand the link between multichannel capability and competitive advantage, I compared the responses obtained with economic and financial results of the last 3 years, as suggested from the extant literature (Bhatt & Grover, 2005; Powell & Dent-Micallef; 1997). The analysis revealed that only the high performing companies realized positive performances because they recognized that their distribution strategy can be a potential source of profit and growth. One high performing company declared that going digital and offering customers a new and consistent experience across channels is the only way to became competitive.

"We have to be 'anytime, and anyway all the time…it is the only way to stay competitive and gain an advantage"[CEO Company C3]

These findings are consistent with the dynamic capability perspective, which states that a firm's resources and capabilities determine its positional advantage (i.e., differentiation, cost leadership and focus strategy), which, in turn, leads to firm performance (Ambrosini & Bowman, 2009). The presence of sensing, seizing, configuring and data integration capabilities, as highlighted in the previous paragraph (see Table 5), are necessary to build and maintain competitive advantage (Teece, 2007).

5.7 Environmental Turbulence

Environmental turbulence refers to the dramatically changing conditions in an industry or sector in which results from frequent technological breakthroughs, changes in customer demand and preference, competitors' moves, and internal changes take place (Pavlou & Sawy, 2011; Wade & Hulland, 2004). The companies interviewed expressed concern

regarding the context in which they operate. Both the high and low performing companies recognized that they now operate in a constantly changing environment.

"The 2013 and the coming years will still be characterized by high volatility of financial markets and competitive environment." [CEO Company C9]

Data show that environmental turbulence is manifested in different ways, including unstable legislation and regulations, changing customers' needs and technological instability (Pavlou & Sawy, 2011; Hulland et al, 2007) (see Table 7).

Table 7- Environmental Turbulence

Environmental Turbulence	**Aspects**	**Illustrations**
Legislation and regulations	Rate of instability of the environment related to changing legislation and regulations.	*"In our country legislations and regulations heavily influence the business. In undertaking a road is likely that within a short time it can be diverted by legislative action. Specifically, looking at the new reform outlined by the government can be glimpsed only few good news."* [CEO Company C5]
Changing customers' needs	Rate of instability of the environment related to changing customers' needs.	*"Recent years are characterized by highly changing customer behaviors. Customers are using internet channel more than the previous. Additionally, customers are demanding that companies really know them personally and propose new way of performing transactions" [President Company C3]*
Technological instability	Rate of instability of the environment related to the frequent emergence of new technologies.	*"Recent years are characterized by the emergence of new technologies. Our company are taking on the new*

		*challenge determined by the increasing use of social media and Smartphone in everyday life" [*Marketing Manager Company C3*]*

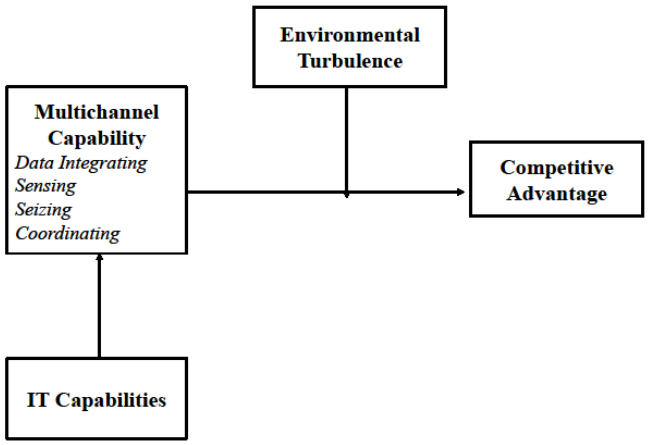
5.8 Summary of Findings

Using the observations derived from the data analysis, I that multichannel capability is defined as a high-level construct generated from a set of four specific interrelated factors. Multichannel capability should facilitate the achievement of a competitive advantage in a multichannel context. The operating presumption is that IT capabilities influence multichannel capability. I propose that environmental turbulence moderates the relationship between multichannel capability and competitive advantage.

Using the observations derived from the data analysis, I propose a testable model that describes the relationships among multichannel capability, IT capabilities and competitive advantage. Figure 1 summarizes the model.

In this model, multichannel capability is defined as a high-level construct generated from a set of four specific interrelated factors. Multichannel capability should facilitate the achievement of a competitive advantage in a multichannel context. The operating presumption is that IT capabilities influence multichannel capability. I propose that environmental turbulence moderates the relationship between multichannel capability and competitive advantage.

Figure 1- Research Framework



The results from the qualitative study show that multichannel capability is manifested in four related and distinct facets. It can be conceptualized as a construct representing an integrative measure of the level of capability along the following four dimensions: data integrating capability, sensing capability, seizing capability, and reconfiguring capability. Additionally, the analysis examined the relationship between multichannel capability and competitive advantage.

To enhance the generalizability and transferability of results, some findings needed further quantitative validation. I therefore propose three hypotheses:

H1: Multichannel capability is positively associated with competitive advantage.

H2: IT capabilities are positively related to multichannel capability.

H3: The positive relationship between multichannel capability and competitive advantage is positively moderated by environmental turbulence.

6 STUDY 2: METHODS

To validate the hypotheses proposed previously, I conducted a comprehensive search for existing measures in the strategy, marketing, organization, and IT literature. The measurement scales for each construct were adapted from prior literature and refined using

findings from a cross-case study (Straub and Gefen, 2004). Sensing capability is measured by adapting the existing intelligence generation scale (Jaworski and Kohli, 1993); the effectiveness of seizing capability is measured by an adaptation of the existing response implementation scale (Jaworski and Kohli, 1993); data integrating is estimated by the adaptation of the integrated transaction information management measurement scale (Oh et al. 2012); reconfiguring capability is measured by adapting an existing scale of reconfiguring capability (Oh et al. 2012); IT capabilities are operationalized by adapting existing scales of IT capabilities (Fink and Newman, 2007; Fink, 2011); the scale to measure competitive advantage is adapted from Powell and Dent-Micallef (1997); and environmental turbulence is measured with Pavlou and El Sawy's (2006) operationalization.

6.1 Content validity

To assess the content validity of the measures, six faculty peers and three experts in the empirical domain carefully evaluated the wording of the items in the questionnaire and the degree to which items are representative of a construct's conceptual definition (Straub and Gefen 2004). To assess the content validity, I conducted two different tests. The first test was conducted using the procedure detailed by Zaichkowsky (1985). I asked to a panel of four experts (two faculty peers and two experts in the empirical domain) to review a pool of items to confirm or validate the definition of the phenomenon. I provided the expert panel with the definition of the construct and the pool of items and then asked them to rate each item. I invited them to evaluate the degree to which items are representative of a construct's conceptual definition, rating each item as "clearly representative", "somewhat representative" or ''not representative" for the construct of interest. In addition, the experts evaluated the clarity and conciseness of each. They noted ways of covering the phenomenon that researchers have failed to include.

The second step was conducted using a similar procedure to that proposed by Mackenzie, Podsakoff, and Fetter (1991). I wrote a randomized list of questionnaire items and distributed it to four PhD students who were asked to classify the randomly ordered scales into one of seven constructs (sensing capability, seizing capability, coordinating capability, data integrating capability, competitive advantage, IT capabilities and environmental turbulence). Each judge was provided a detailed definition of each construct.

As highlighted in Table 8, sensing and seizing items obtain the worst results. Based on the analysis of inter-rater agreement on the classification of the constructs, minor changes were made to the wording and design of the questionnaire.

Table 8- Content Validity Results

Construct	**1**	**2**	**3**	**4**	**Average**
Sensing	67%	67%	20%	50%	**51%**
Seizing	64%	90%	20%	73%	**62%**
Coordinating	100%	100%	100%	100%	**100%**
Data Integration	56%	77%	77%	100%	**77%**
IT Capabilities	67%	75%	75%	92%	**77%**
Competitive Advantage	80%	100%	100%	100%	**95%**
Environmental turbulence	86%	100%	100%	86%	**93%**

All ambiguous items identified were further examined and modified. We also remove those items that received the lowest percentages of agreement among judges (See Appendix B).

I developed all multi-item constructs on five-point Likert Scales ranging from one (strongly disagree) to five (strongly agree).

I collected the data needed for testing the research model from the Italian insurance industry by using a mail-based questionnaire instrument. The target respondents for the survey were General Managers, IT managers, and Marketing and Sales managers. The General Managers were targeted because of their knowledge of corporate strategy. IT managers are likely to be

the most informed about IT assets and IT capabilities. Finally, Marketing and Sales managers are likely to be the most informed about distributional and commercial processes.

7 STUDY 2: FINDINGS

7.1 Sample description

Data were collected via a web survey during 2013. After many e-mails and phone calls, we received 29 responses out of the 141 Italian insurance companies for a response rate of 20 percent. I received responses from 19 companies that represented approximately 58 percent (in terms of total premiums) of the Italian insurance market. I used SPSS 20.0 to examine the data collected. On average, the respondent firms had € 3.021.710, 79 million in terms of premiums written (standard deviation =5.745.398, 689 million of Euros) (see Table 10). The descriptive statistics of the respondents are as follows: 42 percent were general managers (CEO, president, vice-president); 41 percent had a commercial function, such as vice president of marketing, sales, or communication; and 17 percent were IT managers. Of the sample firms, 31 percent are subsidiaries of large European groups. In the sample, there are six companies that operate only in the non-life segment and two that operate only in the life segment. The companies operating in both life and non-life segments are five. Finally, there are four companies that also operate in the re-assurance segment.

Table 9- Sample Characteristics

Companies	Premium Written in 2012
C1	8.222.715
C2	20.806.358
C3	120.205
C4	1.739.175
C5	255.625
C6	1.873.625
C7	352.687
C8	16.037.560
C9	819.228
C10	504.932

C11	412.640
C12	3.175.096
C13	26.081
C14	12.562
C15	1.132.609
C16	7.380.775
C17	1.872.623

7.2 Preliminary results

To capture the constructs in the hypothesized model, 49 items were used. Sensing capability includes five items, seizing includes five items, coordinating eight, and data integration ten. The IT capabilities include eight items (5 to measure IT infrastructure and 3 to measure IT personnel capabilities), competitive advantage comprise five items, and environmental turbulence include eight items.

Table 10 provides descriptive statistics for the individual measures that comprise dependent and independent variables of interest in this study.

Table 10- Descriptive Statistics

Items	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Scan the environment to identify new business opportunities	1	5	4,29	,955
Review the likely effect of changes in their business environment on customers	1	5	4,13	,992
Review their service development efforts to ensure they are in line with what customers want	1	5	4,21	,884
Gathers feedback from its partners (i.e. agents)	1	5	4,54	,977
Scan the environment to identify newly available technologies	2	5	4,29	,859
Effectiveness in implementing new product/service ideas.	1	5	3,79	,932
Devotes a lot of time	1	5	3,96	1,042

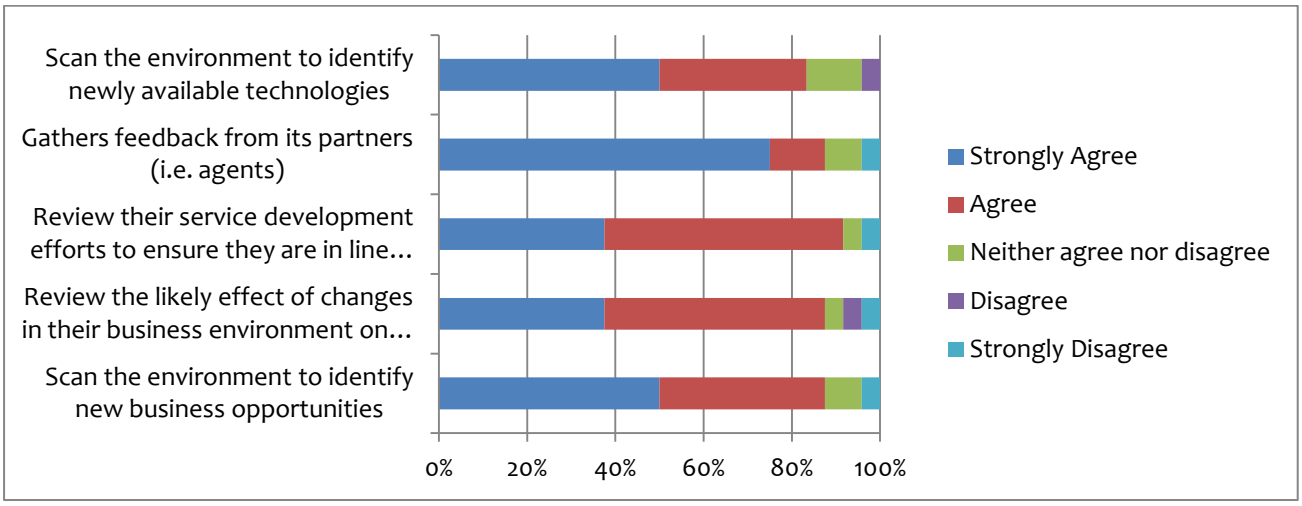
implementing ideas for new products/services				
Ignore changes in their customers' product/service	1	4	1,63	,875
Provide new ways of performing transactions	1	5	3,67	1,404
Several departments get together periodically to plan a response to changes	1	5	4,17	1,007
Appropriate allocation of resources within different online and offline channels	1	5	3,58	1,100
Assign people to tasks commensurate with their task-relevant knowledge	1	5	3,71	1,042
Coordinate marketing and promotion activities across channels	1	5	3,83	1,239
Multichannel distribution is overall consistent	1	5	3,71	1,122
Brand name, slogan and logo are consistent both online and offline	1	5	3,83	1,308
Online channel highlights in-store promotions	1	5	3,12	1,296
Customers can obtain from physical store additional information service obtained online	1	5	3,54	1,532
Customers can make payment for their online purchases in the physical store	1	5	2,08	1,176
Data captured in one department are immediately available to everyone	1	4	3,35	,931
Procedures for collecting customer information from online and offline channels	1	5	4,24	1,033
Collect and analyze market information about customers via computer-based systems	1	5	3,06	1,298
Customers can access their	1	4	3,12	,993

prior integrated purchase history				
Customer data are updated in other channels when a customer modifies his information in one channel	1	4	2,94	,966
Firm stores customer data to facilitate future transactions	1	5	4,18	1,185
Purchase recommendations based on past online and offline purchases	1	5	3,59	1,326
No integration of customer data across channels	1	3	1,76	,831
Digital Data Generation is successfully integrated into Sales process	1	5	3,65	1,272
Sales personnel effectively handle the digital data they obtain.	1	5	3,65	1,320
Technology is changing rapidly	4	5	4,54	,509
Technological breakthroughs offer big opportunities	4	5	4,67	,482
Customers' preferences change a lot over time	2	5	3,58	1,060
Marketing practices are constantly changing	2	5	4,38	,875
New product introductions are very frequent	2	5	2,92	,974
The environment is continuously changing	1	5	3,67	1,129
Environmental changes in our industry are very difficult to forecast	1	4	3,12	,947
Legislation and Regulations are constantly changing	4	5	4,54	,509
The IT unit provides a wide range of channel management services	1	5	3,69	1,401
The IT unit provides a wide range of communication services	1	5	4,24	1,091
The IT unit provides a wide	3	5	4,31	,704

range of data management services				
The IT unit provides a wide range of IT management services	3	5	4,31	,602
The IT unit provides a wide range of IT research and development	1	5	3,44	1,209
The IT personnel closely follow the trends in current information technologies	2	5	3,62	1,088
The IT personnel understand the company's policies and plans	2	5	4,06	,929
The IT personnel are able to interpret business problems and develop appropriate technical solutions.	1	5	3,94	1,029
Over the past 3 years, financial performance has been outstanding	2	5	3,83	1,030
Over the past 3 years, financial performance has exceeded our competitors’	2	5	3,92	,996
Over the past 3 years, sales growth has been outstanding	1	5	3,50	1,243
Over the past 3 years, more profitable than our competitors	2	5	3,92	,996
Over the past 3 years, sales growth has exceeded our competitors’	1	5	3,42	1,443

I reported the preliminary results obtained along the seven constructs in the hypothesized model. At this stage, I cannot obtain definitive results because the responses obtained are insufficient to validate the multichannel capability construct (Tabachnick and Fidell; 2007). In the following section, I describe how the respondents rated each item included in each dimension.

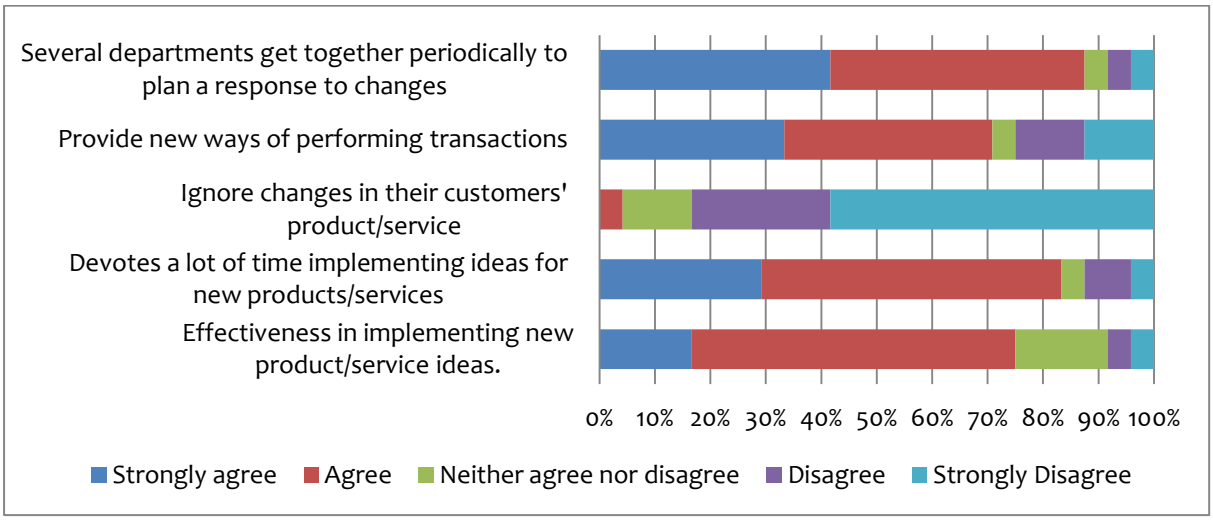
Figure 2- Sensing



In the case of sensing capability (Figure 2), I can confirm the results obtain during the qualitative analysis. Approximately 8o % of the respondents affirmed that they frequently scan the environment to identify new opportunities and new technologies. Additionally, approximately 90 % of the respondents indicated that they gather feedback from their partners to find new opportunities. Data highlight that there are no differences between companies in the sample.

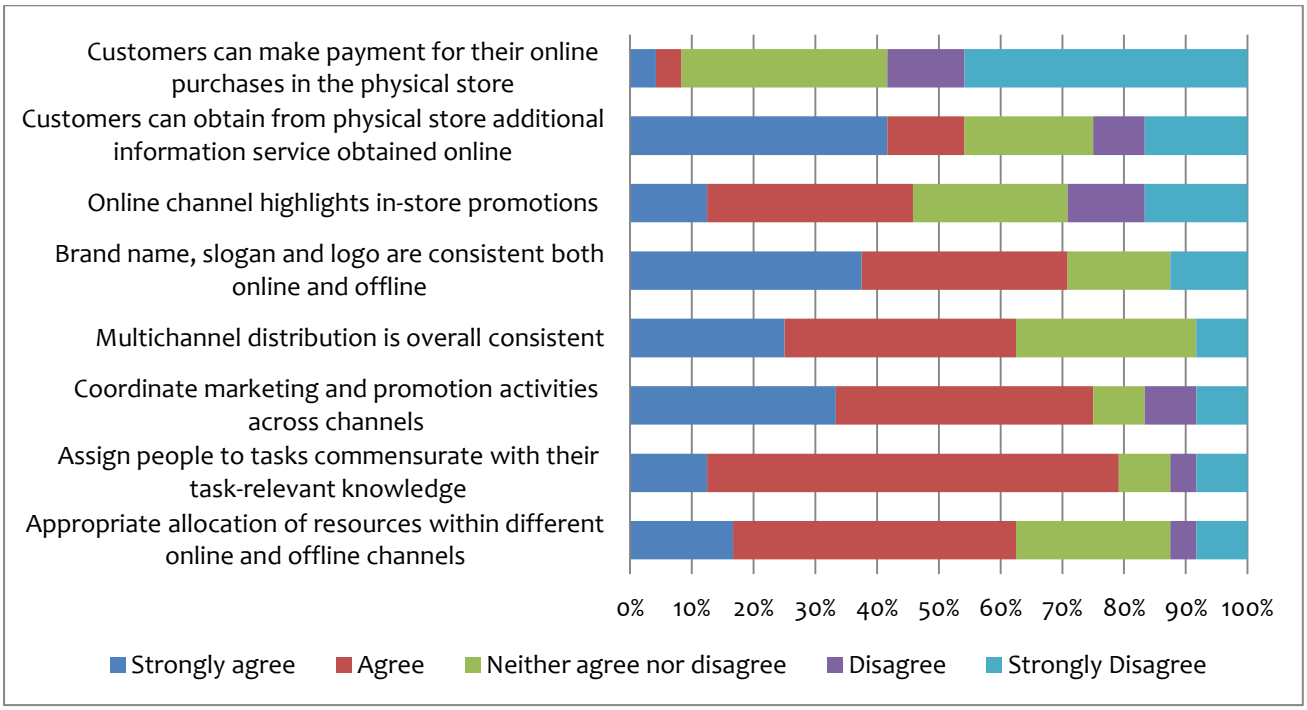
For seizing capability (Figure 3), approximately 90 % of the respondents affirmed that their companies invest time and efforts to propose a new product/service or new modalities to commercialize their products in line with customers' needs. The respondents stated that they provide new ways to perform transactions to offer customers an integrated experience across the different channels proposed by companies (approximately 70 %).

Figure 3- Seizing



Regarding coordinating capability, approximately 75 % of the respondents assert that their promotional activities, brands and logos are coordinated across digital and physical channels. I found some differences among companies in the sample (see Figure 4). Companies that strongly agreed on these statements present good performance in terms of premiums written (>5 million Euros). At the same time, the respondents of companies with premiums written <5 million Euros perceived their channels as separate entities.

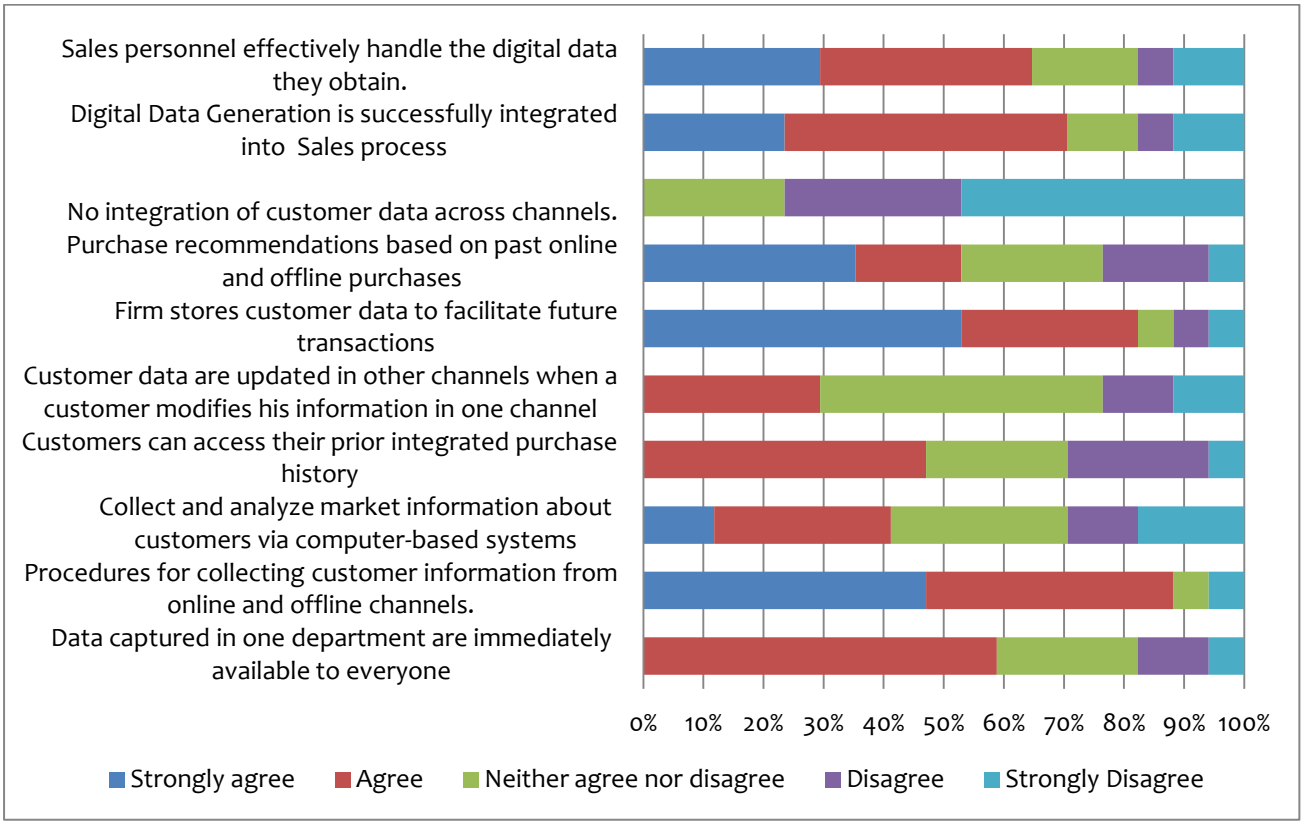
Figure 4- Coordinating



Additionally, respondents (approximately 80 %) perceived assigning appropriate resources (experts, time, technologies and information) as imperative to enhancing coordination within digital and traditional channels.

In the case of data integration capability, I note that, on average, companies have set up procedures to collect data in an integrated way (see Figure 5). Approximately 47 percent of the respondents rated the item "procedures for collecting customer information from online and offline channels" as strongly agree and 40 percent as "agree".

Figure 5- Data Integration

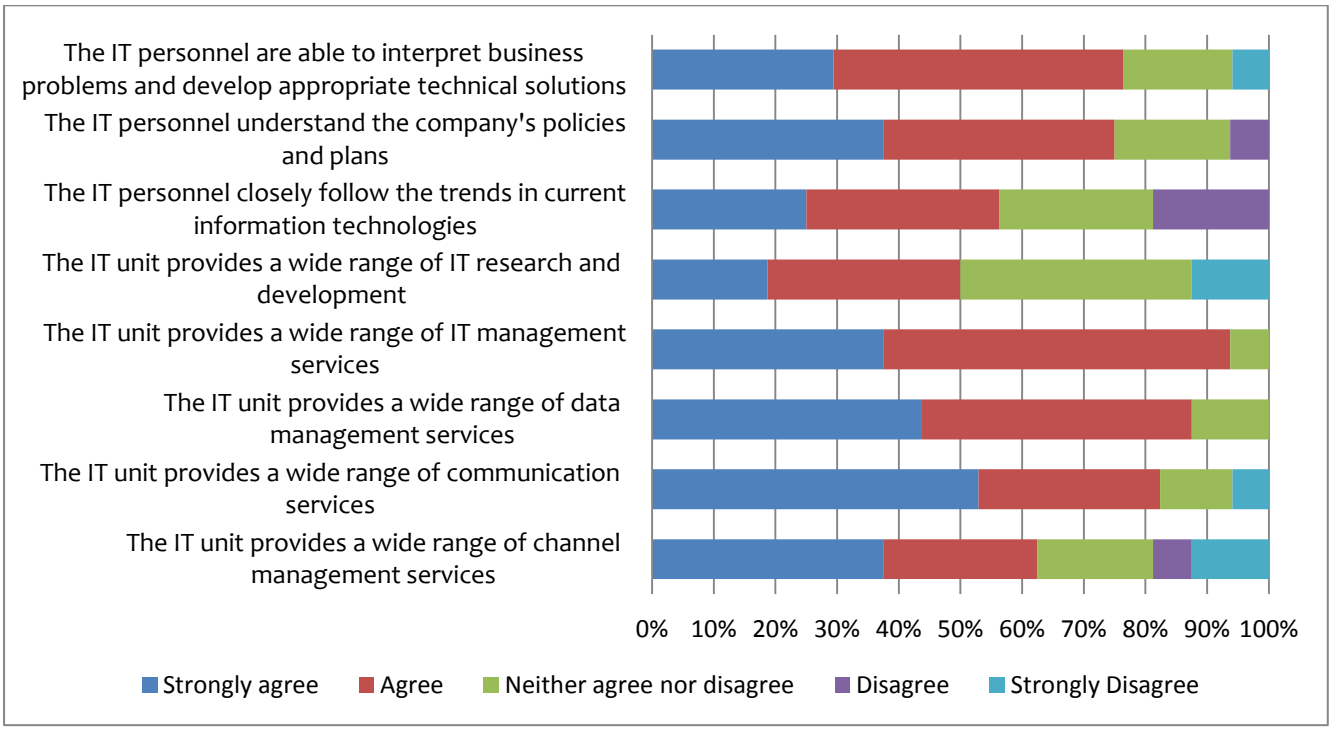


I note that 30 % of the respondents (representing companies with premiums written <5 million Euros) stated that they do not collect and analyze information about customers via computer-based systems and do not allow customers to access their prior integrated purchase history.

The quantitative results in this case seem to confirm the evidence found in the cross-case study.

Regarding IT capability (Figure 6), approximately 65 % of IT managers affirmed that they provide management service to companies; approximately 87 % provide communication services; more than 85 % provide data management services; and more than 90 % provide IT management services. These findings are in line with the cross-case study results. Existent IT Infrastructure capability is imperative to building and maintaining multichannel distribution. Data highlight that differences among companies in our sample concerning the IT infrastructure capability are not perceptible.

Figure 6-IT Capabilities

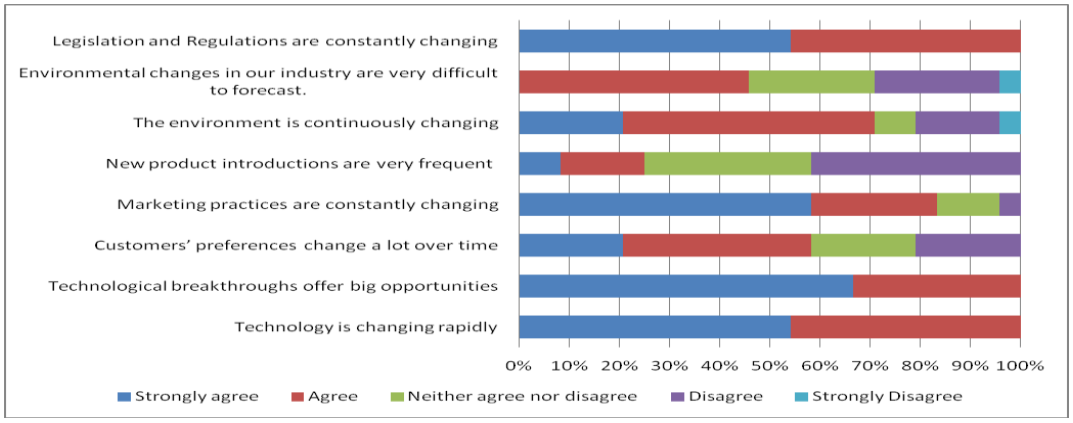


Additionally, the respondents affirmed that IT personnel are able to interpret business problems and develop appropriate technical solutions (approximately 80 % of respondents).

The responses obtained allow the assertion that companies perceive that the context in which they operate is highly competitive and turbulent (approximately 70 % of respondents).

Much of this turbulence comes directly from the emergence of new technologies (approximately 100 %) and technological breakthroughs (approximately 100 %). The respondents also affirmed that changing customers' needs are frequent in their environment (approximately 65 % of respondents).

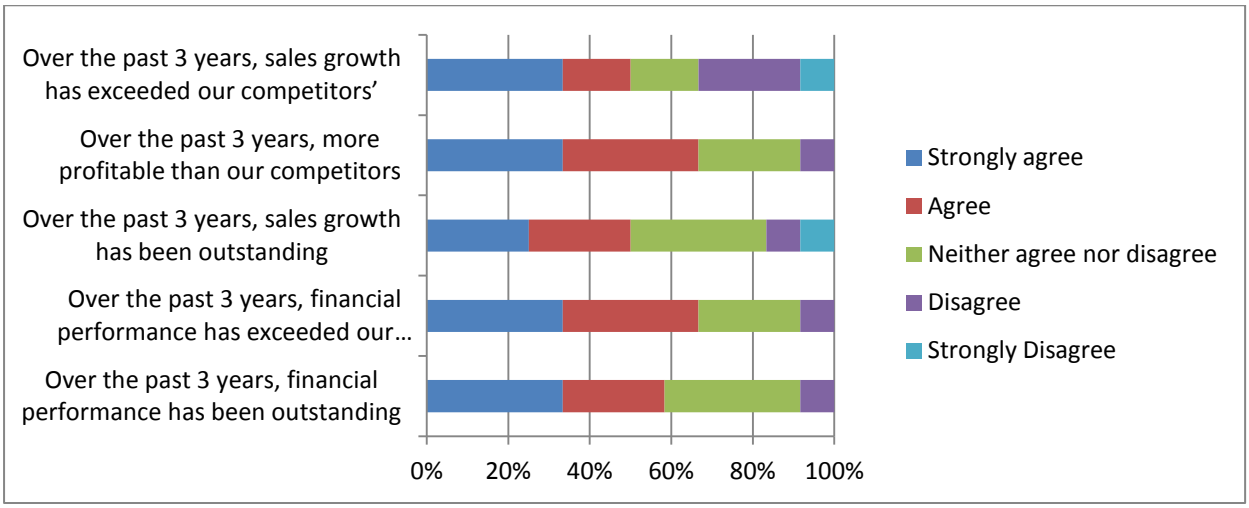
Figure 7-Environmental Turbulence



In the case of competitive advantage, I compared the responses obtained (see figure 8) with economic and financial results of the last 3 years.

The responses obtained allow us to confirm the results obtained during the qualitative analysis.

Figure 8-Competitive Advantage



8 DISCUSSION AND CONCLUSION

Despite the growing interest in multichannel distribution (Binder, et al, 2012; Hughes, 2006; Neslin et al., 2006), there is little theory or systematic research on the relationship between multichannel strategy and competitive advantage.

This paper aimed to address this literature gap and to broaden theory and research both on competitive advantage and dynamic capability by examining a new "multichannel capability". This article improves understanding of the phenomenon of the utilization of multiple channels, contributing to the dynamic capabilities, IT capabilities and long-term competitive advantage literature.

Through the analysis of interviewees and questionnaire, I began to understand how firms develop and maintain multichannel capability in changing environments in which new customer trends, technologies and regulations are constantly evolving. Through the quali-quantitative analysis, I find that some companies could successfully integrate and manage multiple IT-enabled distribution channels, whereas others could not. I also find that IT capabilities provide a means to understand how certain firms can build and maintain dynamic capability.

Overall, findings provide substantial empirical support for the positive impacts of multichannel capabilities on firm competences and performance.

Previous research asserts that dynamic capabilities affect firm performance and the achievement of competitive advantage (Teece, 1997; Bhatt & Grover, 2005). However, the exact mechanism by which dynamic capability influences competitive advantage is not fully understood (Pavlou & El Sawy, 2011). I contribute to this stream of research by showing how a dynamic capability can emerge and be maintained in a changing context. I theorized a new dynamic capability as a high order construct comprising various innovative dimensions (i.e.,

sensing, seizing, coordinating and data integrating), as previously analyzed in literature, which allowed to analyze the phenomenon while taking into account a new perspective.

The analysis finds that when firms sense that they can seize the opportunities in the environment, they coordinate task resources, activities, capabilities and processes in new ways. Additionally, the analysis allows us to better understand the underlying dimensions of sensing, seizing and coordinating capabilities.

In line with this idea, findings support the notion that the *sensing capability* requires the constant monitoring of the environment to enhance the recognition of opportunities for the firm in terms of new technologies and market trends (Danneels, 2008; Teece et al., 1997; Wang & Ahmed, 2007). Previous research has recognized that sensing capability is manifested in three basics routines: generating market intelligence, disseminating market intelligence and responding to market intelligence (Pavlou & Sawy 2011). The study recognized that sensing capability comprises three additional categorizations: customer, technology and partner capability (Jantunen et al, 2012). Firms access information about their environment through constantly monitoring customers' needs (Teece et al., 1997; Wang & Ahmed, 2007) and the emergence of new technologies (Danneels, 2008) and through personal relationships with their partners to explore new possibilities (Danneels, 2008).

Findings support the notion that the *seizing capability* implies redesigning the business process to meet customers' needs (Ellonen, 2009; Teece, 2007). The presence of seizing capability improves the efficiency with which firms respond to environmental changes and to sensed opportunities. Recently, innovation studies have emphasized the seizing capability as a process that aims to delineate customer offerings and to select enterprise boundaries and partners (Ellonen, 2009; Jantunen et al, 2012). In line with this idea, the study demonstrates that seizing capability is manifested in two characteristics: restructuring internal processes and addressing new opportunities by proposing new modalities to commercialize products.

Teece et al. (1997) argued that "dynamic capability is embedded in distinct ways of coordinating". In line with this statement, I extend and adjust the definition of *coordinating capability* (Pavlou & El Sawy 2011; Teece, 1997). I include within the coordination capability concept the importance of re-engineering business processes to ensure interoperability between their digital and physical channels.

Previous research on multichannel distribution has shown that the integration of data is a prerequisite to ensure a successful multiple channel strategy (Neslin et al, 2006; Zhang et al, 2010). In this vein, I propose a new definition of *data integrating* as the capability to integrate and manage customer data from different distribution channels. Consistent with prior work, findings suggest that only those firms that have realized the importance of collecting, managing, and integrating customer data are able to propose and implement a successful multichannel strategy (Zhang et al, 2010).

With regard to *IT capabilities*, previous studies affirm that one of the major challenges in crafting successful a multichannel strategy is to build an integrated information technology (IT) infrastructure so that data, information and resources disseminated across channels can be linked and analyzed in a unified manner to deliver an integrated customer experience (Wilson & Daniel, 2007; Zhang et al, 2010).

Recently, some researchers have recognized that IT plays a key role in the ability of firms to enhance new forms of interaction with their customers and that it is critical to support new online initiatives (Froehle & Roth, 2004). Additionally, researchers have assumed that the presence of IT capabilities explains the IT unit's ability to provide services, support and experience to other business functions to effectively manage multiple distribution channels (Oh et al, 2012). I observed that IT infrastructure capability and IT personnel capability (Fink & Newman, 2007; Fink 2011) play an enabling role in integrating firms' IT resources in both digital and traditional channels (Bhatt et al. 2010). Observations are consistent with the

dynamic capability concept, which states that such IT capabilities are essential because they can provide firms with the ability to share information across different functions and to innovate and exploit business opportunities (Bhatt & Grover, 2005).

A substantial body of work has examined the moderating role of *environmental turbulence* in the relationship between dynamic capabilities and competitive advantage.

The literature has assumed that dynamic capabilities are valuable in turbulent environments, as they may help explain why some firms gain advantages while their competitors fail (Pavlou & El Sawy, 2006; Teece, 1997).

This study shows that environmental turbulence refers to the dramatically changing conditions in an industry or sector affecting the achievement of a competitive advantage (Pavlou & Sawy, 2011; Wade & Hulland, 2004). These findings are supported by previous studies that have found that the higher the degree of environmental turbulence, the more likely changes will become valuable because more opportunities are likely to emerge (Pavlou & Sawy, 2011) and that firms engage in new configurations that better adapt to the new environment (Hulland et al. 2007).

This observation is in line with the dynamic capability perspective, which states that the presence of such capabilities is essential in identifying competitive advantages under turbulent environmental conditions (Teece, 1997).

Finally, I also provided an explanation of how long term *competitive advantage* can be achieved by developing multichannel capability. It has previously been noted that dynamic capabilities in general enable a firm to adjust its strategy and resources to maintain competitive advantage (Teece, 1997; Wade & Hulland, 2004). The multichannel capability is valuable because the ability to combine and renew resources, assets and capabilities in a new way gives firms the strategic flexibility to adapt to changes in the business environment. When multichannel capability is achieved and sustained through an iterative, mature process,

firms can advance beyond their competitors and can be aware of the changing competitive environment and respond to it in an appropriate manner.

My study has numerous implications for managers, particularly in contemporary digital and highly competitive environments. First, the presence of multichannel capability suggests the firms are able to seize and sense the new market opportunities, coordinate assets and capabilities to address them and find new ways to integrate data and processes across multiple channels, thereby making the firm more nimble and dynamic. Managers can take advantage of channel coordination processes and, in so doing, better position their firm to respond quickly to new market opportunities and achieve competitive advantage. Furthermore, the integration of IT infrastructure and customer data flows produces a consistent view of information throughout the firm, enhancing inter-channel coordination.

Second, to successfully implement multichannel distribution, firms need to ensure that their IT infrastructure can provide consistent data integration, ensuring that the data are accurate, consistent and complete across channels (Oh et al, 2012).

Third, the rate of environmental turbulence implies that managers must continuously try to identify new opportunities and make decisions to reconfigure their existing capabilities.

Of course, this study has important limitations that stem from its exploratory intent.

First, the data are collected from the insurance industry, and care should thus be taken in generalizing the findings to other contexts. Future studies could explore the linkages between dynamic capabilities and competitive advantage in other similar contexts, such as the banking industry and retailing.

Thus, the effects of managing multiple channels on a firm's competitive ability may be more varied than hitherto recognized. A suggestion stemming from the limitations of this study is that it could be extended by taking into account other comparable insurance markets. I plan to extend this study to the three largest European markets, namely, the UK, France, and

Germany, which, together with Italy represent 70 % (in terms of total premiums) of the European insurance market (Insurance Europe, 2013).

Multichannel capability in a dynamic environment is important, but the explicit conceptualization and implementation of the concept has been misunderstood. In this study, I have provided a theoretical explanation of the multichannel capability. I believe that explaining this capability will provide a new impetus for firms to develop multichannel distribution systems and understand their effectiveness and value. I also believe this work provides fertile ground for continuing research regarding this topic and that such research will provide insights and guidance for managers.

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3 ONLINE CORPORATE REPUTATION: HOW INSURANCE COMPANIES TAP INTO SOCIAL MEDIA OPPORTUNITIES

ABSTRACT

While a great amount of literature has focused on the relationship between communication strategies and corporate reputation there is not systematic research on the impact of social media communication strategies on corporate reputations in an online environment. Based on the corporate reputation and social media literature, this paper aims to contribute to this body of knowledge by studying the impact of social media communication strategies on firms' reputations. I examine the Italian insurance sector through multiple case studies. The results offer insights into the challenges of developing online communication strategies that affect corporate reputation.

Keywords: Corporate reputation, corporate communication, social media, customer engagement.

1 INTRODUCTION

The relationship between communication strategies and corporate reputation is a subject of substantial interest to organization and management scholars. Previous research has focused primarily on how corporate communication can support or affect corporate reputation, enabling stakeholders to know and appreciate the firm's activities (Bunting and Lipski, 2000; Gotsi and Wilson, 2001; Markwick and Fill, 1997; Wiedmann and Prauschke, 2006, Fombrun and Rindova, 1998). Other scholars have examined corporate communication in the context of corporations' long-term relationships with their stakeholders and how these relationships shape the corporate reputation (Argenti and Barnes, 2009).

Emerging research suggests that the rapid technological revolution established by the advent of the Internet has changed methods and channels of communication by creating new dynamics and interactions between firms and the public. In this context, the Internet and social media are considered valuable reputation-building tools (Bunting and Lipski, 2000; Jones et al., 2009; Wiedmann and Prauschke, 2006; Forman and Argenti, 2005). Whereas previous research has demonstrated unambiguously that corporate communication has a direct impact on corporate reputation (Cuomo et al, 2013), there are few studies concerning the link between firms' social media communication strategies and firms' reputations in the online environment (Rokka et al, 2013). This paper aims to contribute to this body of knowledge by studying the impact social media communication strategies have in shaping firm reputation.

To address this topic, I select the insurance industry because in this sector, customer pressures are pushing insurers to establish the most fundamental level of social media capabilities. Social media solutions provide an opportunity for insurers to improve their top line as well as their bottom line by enhancing the customer experience. Additionally, it has

been recognized that insurance companies are developing social media to network and to build a good reputation (NAIC, 2012).

Given the novelty of the research question and the emerging nature of the theoretical framework, I engage in theory building through multiple case studies. By combining as many data sources as possible, I add richness and depth to research findings (Miles and Huberman, 1994). This research allows us to understand how firm communication strategies influence the formation and management of corporate reputations in the online environment. Specifically, the paper contributes to extending existing theories on the evolution of corporate reputation and clearly identifies social media as both an inhibiting and a driving factor. Results suggest that firms that have different levels of reputation (high, medium, low) present different strategies in their communication activities.

The paper is organized as follows. First, a brief review of the literature concerning corporate reputation and corporate communication is provided. Second, I explain the methodology applied in the paper and describe the results. Finally, I present concluding remarks and some implication for managerial practice.

2 CORPORATE REPUTATION – BACKGROUND

The concept of organizational reputation plays a central role in an increasing number of studies in the management literature (Barnett et al., 2006; Chun , 2005; Rindova et al., 2005; Fombrun and Van Riel, 1997). The following is a definition of organizational reputation that summarizes and aggregates different perspectives in this field: “a collective representation of a firm’s past action and results that describes the firm’s ability to deliver valued outcomes to multiple stakeholders. It gauges a firm’s relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environments” (Fombrun and Van Riel, 1997, p.10). The above definition of corporate reputation suggests that a firm’s reputation is an overall evaluation produced by its stakeholders and based on the

stakeholders' direct experience. The corporate reputation that a firm has with its stakeholders must be regarded as a dynamic construct that influences, and is influenced by, different factors, such as product and service quality, relationship with stakeholders, financial performance, social and environmental responsibility (Fombrun and Van Riel, 1997; Fombrun, 1998; Fombrun et al., 1999; Greyser, 1999). In other words, corporate reputation is formed over time as a function of complex interrelationships and exchanges between and among stakeholders and the organization in different contexts (Fombrun and Van Riel, 1997; Mahon and Wartick, 2003).

Better-regarded companies appear to strengthen their reputations by offering better quality and more innovative products and services (Fombrun and Van Riel, 1997; Rindova et al., 2005). A firm's corporate reputation depends on its corporate social responsibility (Aula, 2011; Awang and Jusoff, 2009; Fombrun and Van Riel, 1997). The social and environmental responsibility dimension captures customers' beliefs that the company has a positive role in society and in the environment in general. These types of companies are generally expected to offer greater job security and better relative pay and have good labor relations, better health benefits, retirement benefits, employee stock ownership, and profit sharing (Fombrun, 1998). Increasingly, a firm's favorable treatment of employees is also expected to manifest itself in heightened corporate reputation. The above-mentioned definitions of corporate reputation suggest the following:

- Reputation is an intangible asset, and it is very important for achieving business goals and competitive advantages (Benthaus et al, 2013; Mahon and Wartick, 2003; Fombrun and Van Riel 1997; Teece et al. 1997; Argenti and Druckenmiller, 2004; Balmer and Greyser, 2003)
- Reputation is the collective perception held by all relevant stakeholders, and it is developed through a complex interchange between an organization and its

stakeholders (Fombrun and Van Riel, 1997; Chun, 2005; Barnett et al.,2006; Dowling, 2008);

- Reputation is the result of past actions and stakeholders' direct experience, which influence the future expectations of the company (Fombrun and Van Riel, 1997; Markwick and Fill, 1997; Caruana and Chircop, 2000; Mahon and Wartick, 2003).

2.1 The relationship between corporate reputation and corporate communication

A firm can use its communication to mold the interpretations and perceptions of stakeholders to build a trustworthy relationship (Rindova and Fombrun, 1999). The establishment of a trustworthy relationship helps firms to interact with a wide range of stakeholders, both existing and potential, through communication processes expressly designed to establish and support the firm's reputation (Furman, 2010; Otubanjo et al., 2010). Corporate communication can affect corporate reputation because a firm, through its chosen messages, enables stakeholders to understand the firm's operations, and it positively loads the perception of the firm's activities, which can lead to an overall positive evaluation of the company (Bunting and Lipski, 2000; Wiedmann and Prauschke, 2006). In my review of the management literature, I identify three different conceptualizations of corporate communication: Primary Communication (the various communication effects of product and service performance, firm policies and employee behavior), Secondary Communication (the formal communications of the organization, which make use of traditional communication channels that include advertising, public relations and sponsorship), and Tertiary Communication (word of mouth, media interpretation and competitor communication) (Balmer and Gray, 1999). All types of communication (Primary, Secondary and Tertiary) influence a firm's reputation. Consequently, methods and channels of corporate communication should be defined in the broadest sense because stakeholders and the general public are influenced in many different ways (Gray and Balmer, 1998). Before widespread

use of the Internet, corporate reputation was shaped by unidirectional communications that firms disseminated to stakeholders who had limited options for interacting with and reacting to these messages (Argenti and Barnes, 2009).

The growing use of interactive social media gives stakeholders the ability to communicate with one another, to disseminate their own messages about a firm, and finally, to threaten firms' reputations. However, corporate reputations can easily be damaged. With the advent of Web 2.0, a negative message about an organization could easily and rapidly spread to a large number of people all over the world (Argenti and Barnes, 2009). Online corporate reputation refers to reputation that is derived specifically from electronic contacts (Chun and Davies, 2001) that ensue from a set of public judgments that improve (or deteriorate) over time (Siano et al, 2011).

Therefore, corporate reputations have become very fragile, as some features of Web 2.0 can generate mistrust and uncertainty (Jarvenpaa et al., 2000), including the lack of face-to-face interaction between suppliers and consumers, the lack of nonverbal cues, and ambiguity about the real identity of a counterpart. Due to the lack of direct contact with firms, consumers build online relationships with firms that have a favorable reputation. In this way, consumers can understand, elaborate and preserve several pieces of information about the firm that they will use to reduce perceived risks when they decide to buy. Corporate reputation allows for the creation of fiduciary links between consumers and firms and can be considered a "substitute for information" and an important mechanism for reducing uncertainty in virtual spaces (Kotha et al. 2001). To summarize, online corporate reputation can be considered as an asset that requires investment to create it and maintain it (Inversini et al, 2009) and it reflects an important mechanism for reducing uncertainty and create a fiduciary link between customers and firms.

The arrival of social media has brought many new opportunities to the way an organization communicates (Aula, 2011; Bunting and Lipski, 2000). Corporate reputation in social media is determined by "a complex narrative web of meaning" that is continuously produced in active dialogue between users and firms (Aula, 2010; Weber, 2009).

Social media provide firms with the opportunity to extract unfiltered and unchanged opinions and thoughts from many people in real time and at low cost (Dellarocas, 2003). Furthermore, they allow an active relationship between firms and customers (Hennig-Thurau et al., 2010) and cooperation and dialog with stakeholders (Argenti and Barnes, 2009). Social media outlets are considered alternative channels in which firms have to play a proactive role. These alternative channels despite can be considered a new source of information, both for customers and firms, they can also increase the complexity of the relationship (Vanbruggen et al., 2010). It is important for a firm to understand the strategies, practices, policies and procedures of corporate communication because in this networked environment, corporate reputation can be enhanced or permanently damaged (Bunting and Lipski, 2000; Jones et al., 2009). The increasing use of social media means that corporate reputation is influenced not only by what firms do or say but also by how internet users perceive their actions (Bunting and Lipski, 2000; Rokka et al, 2013).

3 METHODOLOGY

To explore how firms manage corporate reputation in online environments, I employed a longitudinal explorative multiple-case study (Eisenhardt, 1989). The analysis covers the period from 2011 to 2013. Case studies are a preferred research strategy for examining complex social phenomena because they allow researchers to develop a holistic understanding of real-life events (Yin, 1984).

In addition, a qualitative methodology is preferred to investigate corporate reputation because reputation is a product of communicative processes among stakeholders, and qualitative

methods collect information about stakeholders' views that are difficult to quantify (Horster and Gottschalk, 2012).

3.1 Research setting

The research setting was the use of social media in the Italian insurance context. The insurance industry was particularly suitable for this study given its information-intensive nature, and insurance firms and the broader financial services industry have historically been among the largest investors in IT (Franke, 1987). The insurance sector can benefit from web technologies that help insurers offer new products and services faster, operate more efficiently, and respond to market challenges (Mosley, 2012). The widespread use of web technologies means that insurance companies have to face the potential danger of losing their good reputation through negative evaluations shared on social media platforms.

Recently, researchers have started focusing their attention on the use of social media in the insurance sector, placing particular emphasis on understanding companies' efforts to stimulate user activity and manage information shared on fan pages (Huber, Landherr, Probst, & Reisser, 2012; Mosley, 2012). Additionally, while insurance companies all understand that social media are having an impact on their business, few appreciate how fast and how fundamentally the business is changing (Tangui et al, 2014).

I focus the analysis on one medium, Facebook, because is the most exploited in the context of the Italian insurance sector, despite Italian insurance companies have implemented Facebook four years after it was launched (2004), later, for example, than the American ones.

3.2 Sample selection

To select cases, I started constructing a data set containing information about the main characteristics of the insurance companies operating in the Italian market according to the updated list provided by the IVASS (Supervisory Institute of Insurance) and published on its official website. A total of 142 insurance companies were identified in the analysis.

I then conducted a web search to verify which insurance companies in our data set utilized Facebook. I found that 21 firms, most of which are online business model adopters, had a Facebook account. I include in the sample only insurance companies that operate in the non-life segment to take account of comparable cases. I focused the attention only on 9 firms that actively managed one of the mentioned web platforms. By ‘‘active’’ I mean that the media page/channel had not just been created but was actually used by the company through the publication of posts or other content. The characteristics of the sample firms are summarized in Table 1 and Table 2.

Table 1- Description of cases

Insurance Companies	*Premium written 2011 (millions of euros)*	*Premium Written 2012 (millions of euros)*	*Market Share*	*Insurance Group*	*Typology*	*Segment*
Alleanza Toro	5.968.161	5.686.061	5,34%	Generali	Insurance company	Non-life
Direct Line	496.100	514.409	0,46%	RBS	Direct insurance company	Non-life
Genialloyd	352.687	421.872	0,32%	Allianz	Direct insurance company	Non-life
Genertel	363.342	424.809	0,32%	Generali	Direct insurance company	Non-life
Intesa San Paolo Assicura	210.797	213.597	0,19%	Intesa San Paolo Vita	Insurance company	Non-life
Linear	200.946	220.091	0,18%	Unipol	Direct insurance company	Non-life
Sara Assicurazioni	648.709	709.565	0,58%	Gruppo Sara Assicurazioni	Insurance company	Non-life
Tua Assicurazioni	120.205	158.390	0,11%	Cattolica	Insurance company	Non-life

3.3 Data sources and data analysis

I collected data from three sources: 1) archival data, including governmental and business publications; (2) newspaper articles and insurance companies' web sites; and 3) content shared on Facebook pages.

In the first phase, using archival and governmental data (IVASS and ANIA[7] publications), I constructed a data set containing information about the main characteristics of the insurance companies in the sample, such as invoicing information, lines of business, sales channels (online and offline), number of clients (online and offline), and premiums written in 2012. In the second phase, I enriched this data set by including information on corporate strategy collected through companies' web sites and business publications. Using Nvivo 10, I continued data collection by gathering content on Facebook pages in both insurance 'companies and fan posts. Finally, I collected the number of fans, likes, and posts and comments shared on Facebook pages for each company in the sample.

Table 2-Insurance firm sampling

	Signup date	**Fans**	**Likes**	**Posts and Comments[8]**
Alleanza Toro	12/03/2011	1401	175	47
Direct Line	21/01/2011	20358	5920	4965
Genialloyd	27/05/2009	19290	4983	17540
Genertel	27/01/2010	6133	50	218
Intesa San Paolo Assicura	14/09/2012	8137	902	246
Linear	03/05/2011	2937	609	157
Sara Assicurazioni	18/12/2009	14003	5008	898
Tua Assicurazioni	15/12/2008	2177	3755	723

[7] ANIA: National Association of Insurance Companies. Its main purpose is to protect the interests of insurance companies combining them with the general interests of Italy. The association represents the shareholders and the Italian insurance market in the main political and administrative institutions, including the Government and the Parliament, trade unions and other social forces. The association studies and works toward the resolution of technical, economic, financial, administrative, fiscal, social, legal and legislative problems in the insurance industry.

[8] Figures are calculated based on October 2013 data.

I used cross-case analysis techniques (Eisenhardt, 1989) to look for patterns, and I revisited the data often using charts and tables to facilitate comparisons between cases (Miles and Huberman, 1994). The content collected amounted to over 25,000 posts and comments. Content transcripts were coded following the procedure of Miles and Huberman (1994). Formal coding of the first transcription began with a "start list" of broad codes such as "positive and negative stakeholders' perceptions about an organization", "strategy", "action" etc. This starting list of broad categories was employed as a method of breaking the large data sets into more manageable pieces (Miles & Huberman, 1994). Content was coded independently by the two authors, and inconsistencies were resolved by consensus. Reliability was sufficient (K = 0.81).

Thus, to measure insurance companies' level of reputation (Arvidsson, 2011), I initially focused on content posted by fans containing indicators of positive and negative emotions and perceptions (Walker, 2010). For that reason, I read each comment line by line and coded it as positive, neutral or negative. I include in the positive code content that expresses the emotional appeal of stakeholders with respect to a firm. The emotional appeal expresses the stakeholders' feelings towards, admiration of and trust in a firm (Inversini et al, 2009). I include in the neutral code conversations not containing any sentiment, appreciation or judgment. This code includes formal requests for information regarding quotes, products, discounts, promotions, claims, and transactions. I include in the negative code conversations that contain negative emotions and perceptions towards a firm (Inversini et al, 2009).

Table 3 lists the constructs and the number of times (references) that each code (positive, neutral, negative) was found in each case.

Table 3- Frequency of appearance of each code

Cases	**Positive (reference)**	**Neutral (reference)**	**Negative (reference)**

Alleanza Toro	0	4	7
Direct Line	136	438	778
Genialloyd	1239	3820	1032
Genertel	8	13	8
Intesa San Paolo Assicura	15	15	19
Linear	7	7	1
Sara Assicurazioni	32	129	77
Tua Assicurazioni	54	21	16

Reputation levels were categorized as high, medium and low based on the frequencies observed in the positive, neutral and negative categories. Based on the literature on online reputation mechanisms (Dellarocas, 2010) and sentiment analysis (Seebach et al, 2013; Levine, 2010), I classified a company as low reputation when it had over 50% negative codes; medium reputation companies had between 40% and 20% negative codes. Finally, high reputation companies are those that had less than 20% negative codes. The analysis classified Alleanza Toro and Direct Line as low reputation firms; Genertel, Intesa San Paolo Assicura, Sara Assicurazioni as medium reputation firms; and Genialloyd, Linear and Tua Assicurazioni as high reputation firms (see Table 4).

Table 4- Level of reputation

Cases	**Positive**	**Neutral**	**Negative**	**Level of reputation**
Alleanza Toro	0,00%	36,36%	63,64%	Low
Direct Line	10,06%	32,40%	57,54%	Low
Genialloyd	20,34%	62,72%	16,94%	High
Genertel	27,59%	44,83%	27,59%	Medium
Intesa San Paolo Assicura	28,30%	35,85%	35,85%	Medium

Linear	46,67%	46,67%	6,67%	High
Sara Assicurazioni	13,45%	54,20%	32,35%	Medium
Tua Assicurazioni	59,34%	23,08%	17,58%	High

3.4 Cases Description

A variety of data sources used to collect the information from companies in the sample permits a brief case description of each of them.

Alleanza Toro is an insurance company based in Turin founded in 2009 following the merger of Alleanza Assicurazioni in Assicurazioni Generali group and the subsequent merger with Toro Assicurazioni. It operates in the life and non-life segment through four brands: Alleanza, Toro, Augusta, DAS and Lloyd Italico. Alleanza Toro offers insurance policy to their customer by 21,000 Agents and Consultants and nearly 2,000 agencies. In 2012, premiums written amounted to 5.968.161 millions of Euros with a market share of 5, 34%. In 2011, company started to adopt social media, in particular Facebook and Twitter.

Direct Line is a company specialized in selling insurance service directly to customer by telephone and Internet. Direct Line was founded in UK and started out offering only car insurance. It started to operate in Italy in 2002, and now sells by phone and site web motor, car and house insurance policies. In 2012, Direct Line is the first direct company in Italy in term of premiums written (514.409 millions of Euros). In 2010, company started to adopt social media. Now, Direct Line use Facebook, Twitter and YouTube to communicate to their customers. In 2013, Direct Line obtain the Seal of Quality by the German Institute for Quality and Finance as the Best RCA insurance company in the market.

Genialloyd is a non-life company founded in 1996, part of the Allianz Group, specializes in direct sales of insurance products. It sells insurance policies for cars, motorcycles, motor homes, commercial vehicles, home and family, injury through the Internet and call centers. In addition, it offers also financial products such as credit cards called “Viva Genialloyd” and

personal loans. Genialloyd is the third largest Italian direct insurer in terms of premiums written in 2012 (352.687 millions of Euros). Genialloyd started to implement Social Media in 2010 and now uses a variety of platforms (including Facebook, Twitter, Google plus and YouTube) to leverage direct relationship with their customers.

Genertel is a non-life company founded in Trieste in 1994, as a part of Assicurazioni Generali group. It sells insurance policies for cars, motorcycles, motor homes, commercial vehicles, home and family, injury through the Internet and call centers.

It is the second largest Italian direct insurer in terms of premiums written in 2012 (352.687 millions of Euros).

Genertel started to implement Social Media in 2010 and now uses a variety of platforms including Facebook, Twitter, Google plus and YouTube.

Intesa San Paolo Assicura is an insurance company, founded in 1996, part of the financial group Intesa Sanpaolo Group. Until June 2011, it operated as EurizonTutela Spa. It operates in non-life sector, offering a wide range of insurance products for person, vehicle, house and the accidents. The distribution network is based primarily on four channels: subsidiaries of the Intesa Sanpaolo Group, subsidiaries of Intesa Sanpaolo Personal Finance, private bankers of Banca Fideuram and call center.

It started to implement social media tools in 2012 and now it is present on Facebook and YouTube.

Linear is the online company of Unipol Financial Group SpA, founded in 1996. It operates in non-life sector, offering a wide range of insurance products

Linear is the fourth direct company in Italy, in term of premium written in 2012 (200.946 millions of Euros). In 2011, Linear decided to adopt Social media, and now uses Facebook, Twitter and Youtube.

Quixa is the online company of AXA Spa, specialized in selling non-life insurance products through call center and Internet. It started to operate in Italy in 2008 and it is the sixth direct company in Italy, in term of premium written in 2012 (66.561 millions of Euros). Regarding Social Media adoption, it started to utilize YouTube in 2007. It is the latest company that has implemented Facebook in the sample (2013).

Sara Assicurazioni is a non-life insurance company part of the Sara Assicurazioni Group. It was founded in 1946 and it is the only European example of a joint venture between an insurance company and a consumers' association, ACI (Italian Automobile Club). Sara Assicurazioni offers insurance policy to their customer by 500 agencies and 1500 sub-agencies scattered in all Italian territory.

In 2006, Sara decided to adopt Social media opening up a channel in YouTbe platform. Subsequently in 2009, Sara implement Facebook in 2009 and Twitter in 2010.

TUA Assicurazioni is an insurance company founded in 2003 as a part of Cattolica Group. It sells life and non-life insurance policies through 450 agencies. In 2012, premiums written amounted to 120.205 millions of Euros with a market share of o,11%. Tua Assicurazioni is the first insurance company in the sample that decided to implement Facebook. It adopted YouTube in 2007, Facebook in 2008 and Twitter in 2011.

4 FINDINGS

The analysis of firms' Facebook content led to the recognition that, among the various types of companies (high, medium, and low reputation), the differences in reputation are attributable to four basic dimensions: categories of communication strategies, the evolution of communication strategies across three years (2011-2013), the timing of interaction, and the number of interactions.

4.1 Categories of Communication Strategies

After the many iterations of data analysis, I identified seven complementary forms of communications: Egocentric, Conversational, Blinkers, Pro-active,, Transparent, Secretive, Supportive. I called “Egocentric” firms that share information through social media pages, but do not engage in conversation with customers and fans. In this communication strategy, firms do not want to create a personalized relationship with their customers; the final aim is increasing the firm’s visibility through social media.

I defined “Conversational” firm aimed at creating a deep relationship and dialogue with customers. According to this strategy, companies respond to every comment shared by customers in order to establish a conversation.

I defined “Blinkers” as the communication strategy aimed at filtering only positive comments while ignoring any negative feedback. Firms tend to create a relationship only with customers who support the firm, rather than managing conflicting opinions. According to this strategy, companies respond to every positive comment shared by customers.

I defined “Proactive” as the communication strategy that is aimed at adequately and effectively managing conversations and moderating any conflicts within its pages. According to this strategy, companies respond to every negative comment shared by customers.

I defined “Transparent” as the communication strategy aimed at improving the transparency of firm-customer conversations. According to this strategy, posts are not deleted and companies respond publicly to every remark shared by customers. Conversely, I identified “Secretive” as the strategy aimed at managing conflict that occurs within the social media page through another private channel (mail or private message on Facebook) or when ‘‘unwelcome’’ posts are deleted.

"Supportive" is the communication strategy aimed at providing information about offers and quotations and helping clients during all phases of the purchase process (information search; purchase and post-purchase) (Castriotta et al, 2013).

Although all the companies analyzed utilized different types of communication strategies, the analysis revealed distinct ways in which high, medium and low reputation companies utilized communications across the three years of observation (see Table 5).

As shown in Table 5, Alleanza Toro uses an "Egocentric" strategy because it does not engage in conversation with customers and fans. When a customer expresses a positive or negative opinion, the company merely ignores it. Ample space is allocated to the publication of posts relating to their policies and to insurance- related issues. The following quote exemplifies this strategy: "*Pension Fund AlMeglio: AlMeglio is aimed at those who want to take advantage of the retirement benefit and maximize the tax benefits and to companies that want to offer the same benefits to their employees. In fact, you can join AlMeglio either individually or collectively."*

Alleanza Toro started to adopt social media tools in 2011, and their communication strategy did not change over the three years (see Table 5).

Table 5- Firms' social media communication strategies

Company	Level of reputation	Egocentric			Conversational			Blinkers			Pro-active			Transparent			Secretive			Supportive		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Allenza Toro	Low	√	√	√																		
Direct Line	Low										√	√	√				√	√	√			
Genialloyd	High				√	√	√							√	√	√					√	√
Genertel	Medium	√	√	√																		
Intesa San Paolo Assicura	Medium					√	√												√			√
Linear	High									√								√	√			
Sara Assicurazioni	Medium											√	√				√	√	√			
TUA Assicurazioni	High										√	√					√	√	√			

Table 6- Exemplary Time ordered negative comments

High reputation			Medium Reputation			Low reputation		
Time	Role	Quotation	Time	Role	Quotation	Time	Role	Quotation
03/09/13 h.22:45	Fan	I wanted to buy your car insurance policy. I called the service center, and after asking some clarification I heard them hang up. I'm speechless. Are there explanations for this? I do not think this is the best way to get customers. Thank you.	30/07/13 h. 14:00	Fan	I am outraged by your behavior towards policyholders who are waiting for compensation and to whom you do not say anything. It's a shame!	24/12/12 h. 8:50	Fan	Beware of contracts. You might have unpleasant surprises. Read carefully before!!
04/09/13 h.10:00	Firm	Hello Valentina, we are rather perturbed by your post; the customer service that we are able to offer is far away from the episode that you're describing. We received some reports	30/07/13 h. 14:50	Firm	Hello William, please accept our apologies for the poor service you encountered in communicating with our office and withwith the expert you spoke with. From our	24/12/12 h.12:50	Firm	Hello Massimiliano, we agree with you on the need to carefully read contracts before signing them. In fact, we always tell our customers to examine the conditions of the

		of inefficiency, and do not deny it, but none have reported such behavior. Of course, we apologize and ask that you send us a private message here on FB telling us if you remember the code of the consultant. If you wish, you can also tell us the quote number and an address so we can re-contact you. Thank you.			checks carried out today, the documents relating to this claim have been properly processed by Customer Service. We will give you the terms and obligations directly in a private reply.			policy, which can be found on our website.
05/09/13 h. 24:31	Fan	I bought the policy exclusively online (very convenient) and fortunately everything went well. The girl who helped me then was very kind. I think that should be taken against those who are not able to relate with customers; otherwise, such behavior can be detrimental to your company and those who work there properly.				24/12/12 h. 20:40	Fan	Robbers!!
05/09/13 h. 10:45	Firm	Hello Valentina, thank you for choosing [..] despite the unpleasant episode you told us about. We hope you can also test the quality of our service: the call center, the personal area of site web and mail service and also the assistance on FB or Twitter, active from Monday to Friday from 9:00 am to: 18:00. You can write for any needs. As you have seen, the episode can be considered isolated and distant from our standard, but we absolutely agree with you about the importance is monitoring the service. We have a special office; our assistants are required to come up with an identification code that the customer has to write down. Have a nice day.						

The data analysis revealed that Direct Line adopts two different communication strategies: Proactive and Secretive. When customers make a claim on their Facebook page, Direct invites them to provide additional information to solve their problem. Additionally, the company manages conflicts by asking fans to use another channel such as a contact form or call center. This implies that the two strategies are interrelated.

A sample conversation exemplifying this strategy is below:

> A fan states: "*I have been waiting for I have been waiting to process my policy for three days". I spend every day waiting on the phone. You are incompetent in doing your job.*"
>
> Direct Line responds, "*Hello David, send us your details using the Direct Line Support, so we can do an assessment and help you. Thanks*"

As you can see in Table 5, Genialloyd is the only company that uses the "Transparent" strategy in its social media transactions.

Genialloyd's first response to any request is always public, indicating a transparent communication strategy. Only if the issues are sensitive does it suggest a protected one-on-one channel, generally a call center, e-mail or private message on the Facebook page. The following quote reflects a typical conversation:

> A fan request: "*Hello, I would like to ask you a favor. I just purchased an insurance policy and saw that it will be sent to the address of residence. Is it possible to send it to another address?*"
>
> Genialloyd reply: "*Hello, please send us a private message here on FB with the shipping address you want. Thank you*"

Genialloyd offered their customer a coherent and comprehensive service and effective case resolution (supportive strategy). It integrated social media into its channel and

communication strategies, and its responses are directed to provide service assistance directly on the Facebook page. The following quote represents a typical conversation:

> A fan request: "*Hi, I have lost my risk certificate. What number should I call to request it again?"*
>
> High-reputation company response: "*Hello, we have sent you an email with the renewal proposal and the updated risk certificate. Thank you.*"

Moreover, the data analysis revealed that Genialloyd embraced a different communication strategy in the first half of 2011. During this period, they replied only occasionally to positive feedback they received.

Genertel, similar to Allenza Toro, adopted an Egocentric communication strategy across the three years. The company does not engage in conversation with customers and fans. Only in one case did Genertel respond to a negative comment, but with the purpose of sharing information, news, and advice related to the insurance industry, not to help a customer. The following quotation reflects this strategy:

> "*Hello Andrea, We are always available to discuss specific cases of customer dissatisfaction and to find a solution. Genertel provides a structure dedicated to providing our customers assistance and further information: please write to this address http://www.genertel.it/assicurazioni/assistenza/contatti.jhtml to report your observations. Moreover, our consultants are always ready to help 800 20 20 20. Our Facebook page is not the place to obtain assistance, but it is a space to share ideas, news, tips and advice related to current affairs and entertainment*."

As shown in Table 5, Intesa San Paolo started to use Facebook in 2012.Companyembraced a Secretive communication strategy. These companies strive to manage conflicts privately through another private channel (mail or private message on Facebook).

The following quote represents a typical conversation using this strategy:

A fan states: "*Attention! Do not buy an insurance policy with them; they are crooks and their experts lie and you are sure that their word counts more than ours. Robbers!*"

Intesa San Paolo reply: "*Hello Stefano, thanks for the message. It is always helpful for us to know your opinions. We regret that our service did not meet your expectations; we want to ensure that your concerns are taken seriously and we carefully select our partners. We invite you to contact our Customer Service Department. We will be happy to help you*."

Additionally, Intesa San Paolo Assicura strives to create a deep relationship with fans by replying to every customer remark (Conversational strategy), and in some cases, the company's responses are intended to provide service assistance directly on the Facebook page without requiring the intervention of other firm units or channels (supportive strategy).

As highlighted in Table 5, Linear embraces two communication strategies: Secretive and Blinkers. When fans demand information, assistance or advice, Linear invites them to submit the same request in another private channel (Secretive strategy).

For example: "*Hello Francesco, to give you the information you request, we would like to contact you, and we need an address or an email. You can send them via private message here by private message on Facebook or at web@linear.it. Thanks for your cooperation!"*

The company partially changed its communication strategy in 2013 when it began having conversations only with customers who share its views, rather than managing conflicting opinions.

Sara Assicurazioni and Tua Assicurazioni, similar to Direct Line, embrace two interrelated communication strategies: Proactive and Sensitive.

When customers make a statement on the Facebook page, the companies invite them to provide additional information aimed at solving their problem. Both companies manage

conflicts by asking fans to use another channel, such as a contact form or a call center. For example, Sara Assicurazioni posted the following response to a fan statement: "*Raffaele, please provide us your information so that we can investigate the offence. If you want, you can send us a private message.*"

Sara Assicurazioni maintained the same strategy over the three years of observation; however, Tua Assicurazioni avoided moderating every conflict within its pages in 2013.

To summarize, low reputation companies (Alleanza Toro and Direct Line) use communication strategies that do not establish a real conversation with their customers in social media. These companies avoid creating a platform where they can have discussions with customers.

Regarding medium reputation companies, the findings about low reputation companies apply. On average, these companies do not support real conversations with their customers, and in particular, they manage conflicts privately by asking customers to use another channel such as a contact form or a call center. Only one company (Intesa San Paolo Assicura) strives to create a deep relationship with its customers.

The high reputation group (Genialloyd, Linear, and Tua Assicurazioni) utilizes significantly different communication strategies, so it is difficult to identify trends. As shown, three of them prefer to manage conflicts with their customers privately (Linear, and Tua Assicurazioni); conversely, only one (Genialloyd) has integrated social media into their channel and communication strategy. In the latter case, the company's responses are designed to provide service assistance, manage conflicts and dialogue with customers directly on the Facebook page.

4.2 Time of Interactions and Number of Interactions

To test the differences between high-reputation and low-reputation companies with respect to their ability to use corporate communication, I developed a time ordered matrix to capture the

flow of conversation between firms and customers for each case (Miles and Huberman, 1994). A time ordered matrix allows mapping data arranged by time period in sequence to easily observe when particular phenomena occurred. The objective of this analysis is to capture the communicative processes between customers and insurance companies to understand how insurance companies manage the positive, neutral and negative comments. Positive, neutral and negative comments were analyzed individually for low, medium and high reputation firms. In the time ordered matrix (see Table 4), the rows reflected every post shared on the company's Facebook page, information about the identity of internet users (customer/Insurance Company/other fans) and timing of each post. I compared conversation across three years (2011-2013) to pinpoint the major changes in firm's communication strategies according to the typology of comments (positive, neutral, negative).

Finally, to effectively interpret the data, I built a growth gradient for each case (Miles and Huberman, 1994) to map and visually organize the sequence of interaction that characterize positive, neutral and negative conversations. Growth gradients allow us to see which events were especially critical, as well as the number of interactions and when they occurred. The horizontal axis represents time (expressed in hours); the vertical axis shows the number of interactions between the firm and customers, and the nodes are the events (each one is labeled). The lines mean "is followed by". I aggregated data about timing and number of interactions according to the level of reputation (see Figure 1-2-3 and Appendix D).

The practitioner literature recognizes that repeated interactions between a customer and a firm strengthen the emotional and psychological investment that a customer has in that firm, thus affecting reputation and customer engagement (Chaffey, 2007).

Based on this statement, I found that in 2011 and 2012, low reputation companies responded to any formal request for information and time of interaction ranged from few between

minutes to two hours. It is important to note that, in 2013, the time of interaction expanded ranging from 1 hour to four days (see Figure 1).

Figure 1- Growth Gradient Neutral Comments

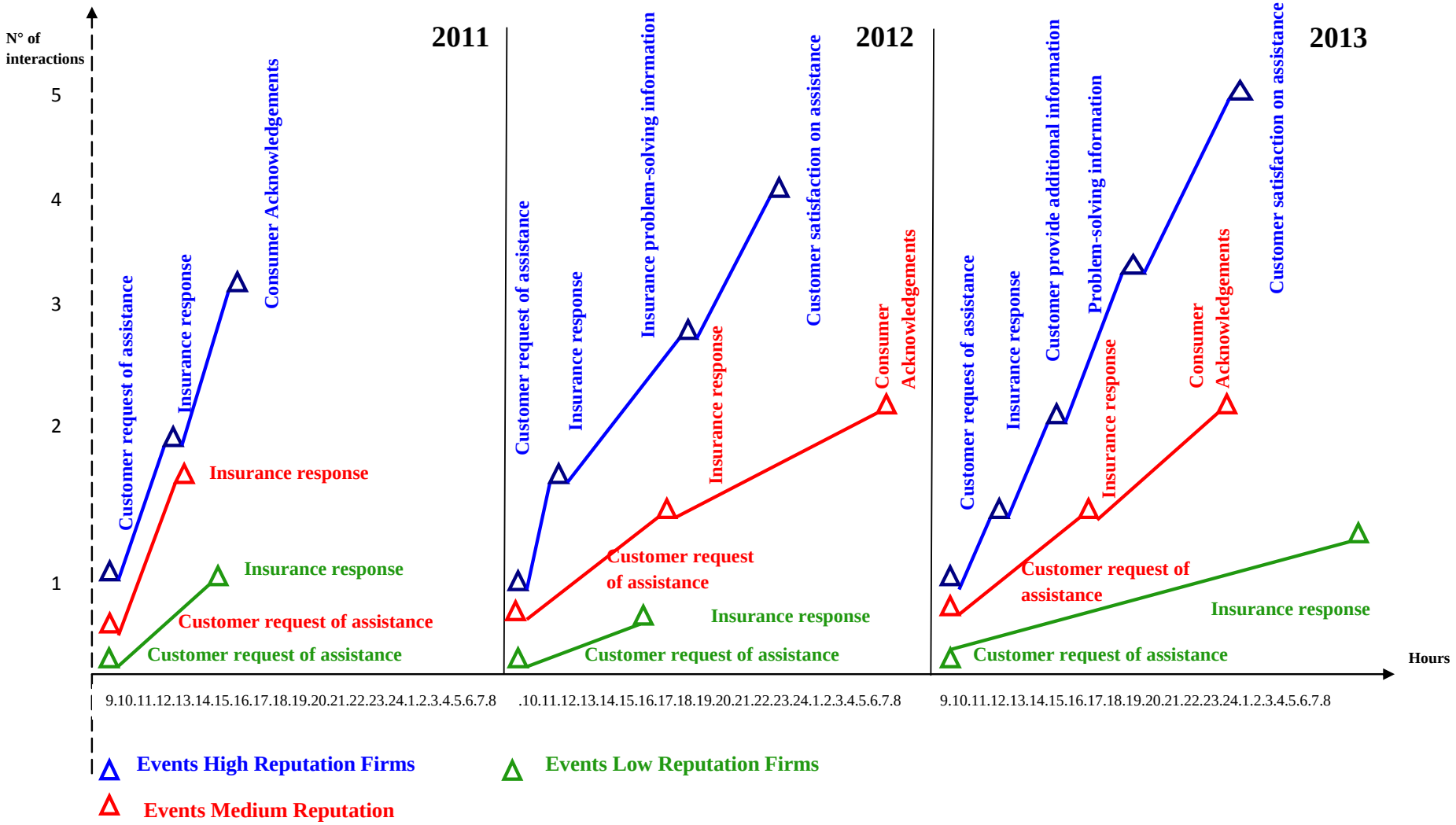
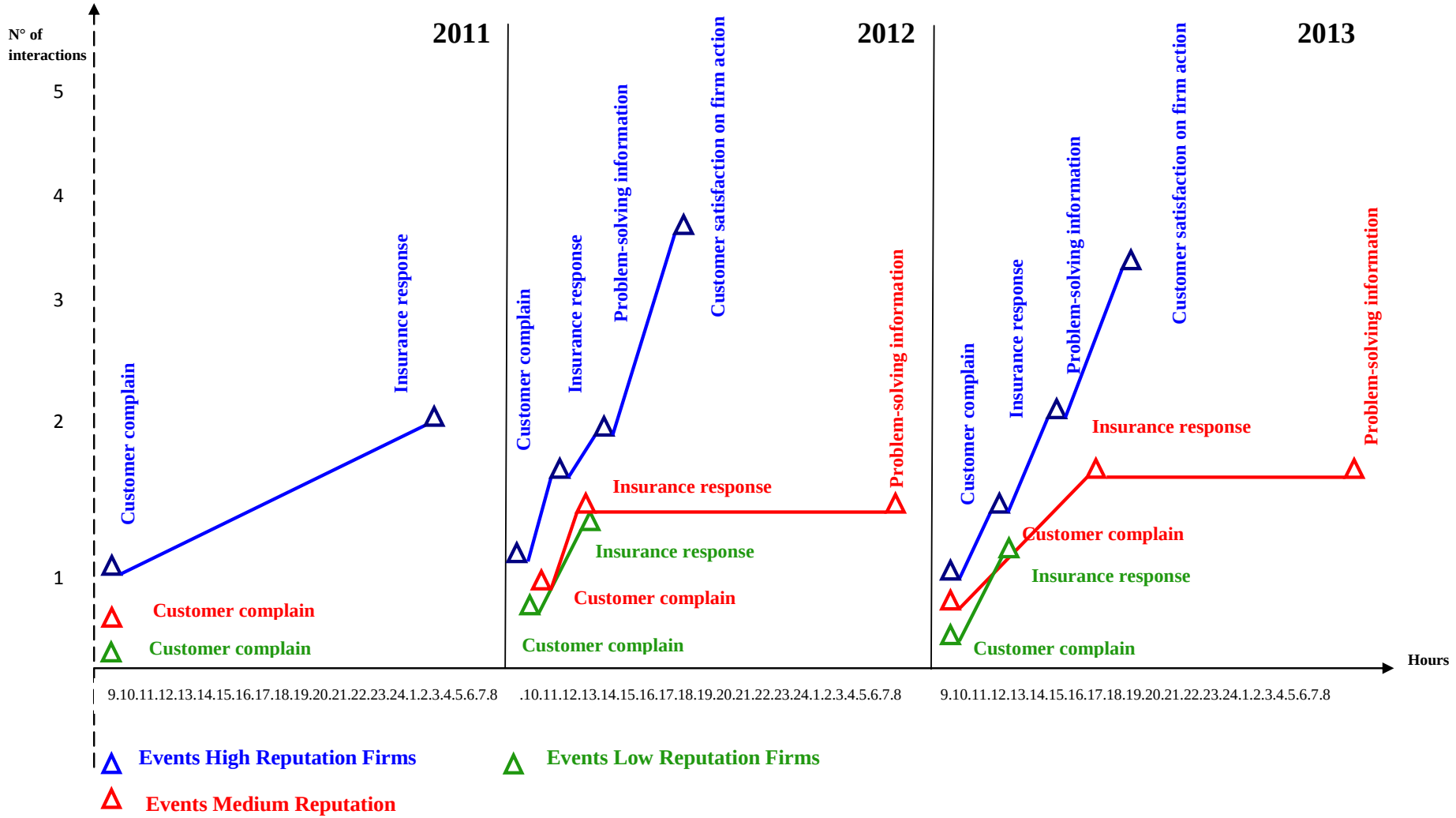


Figure 2-Growth Gradient Negative Comments



Looking at negative remarks, I discovered that time of interaction of low reputation companies ranged from one hour to one day. There were no significant differences between 2012 and 2013, but it is important to note that in 2011, low reputation companies avoided replying to customers' complaints. Additionally, they also avoided replying to positive comments. On average, there are two interactions (question and answer) between customers and companies in both negative and neutral conversations (see Figure 1-2 and Table 6). It is important to note that low reputation companies have a high number of complaints, and they communicate in a less accurate manner compared to medium and high reputation companies. In particular, there are frequent grammatical and typographical errors that reduce the perception of quality.

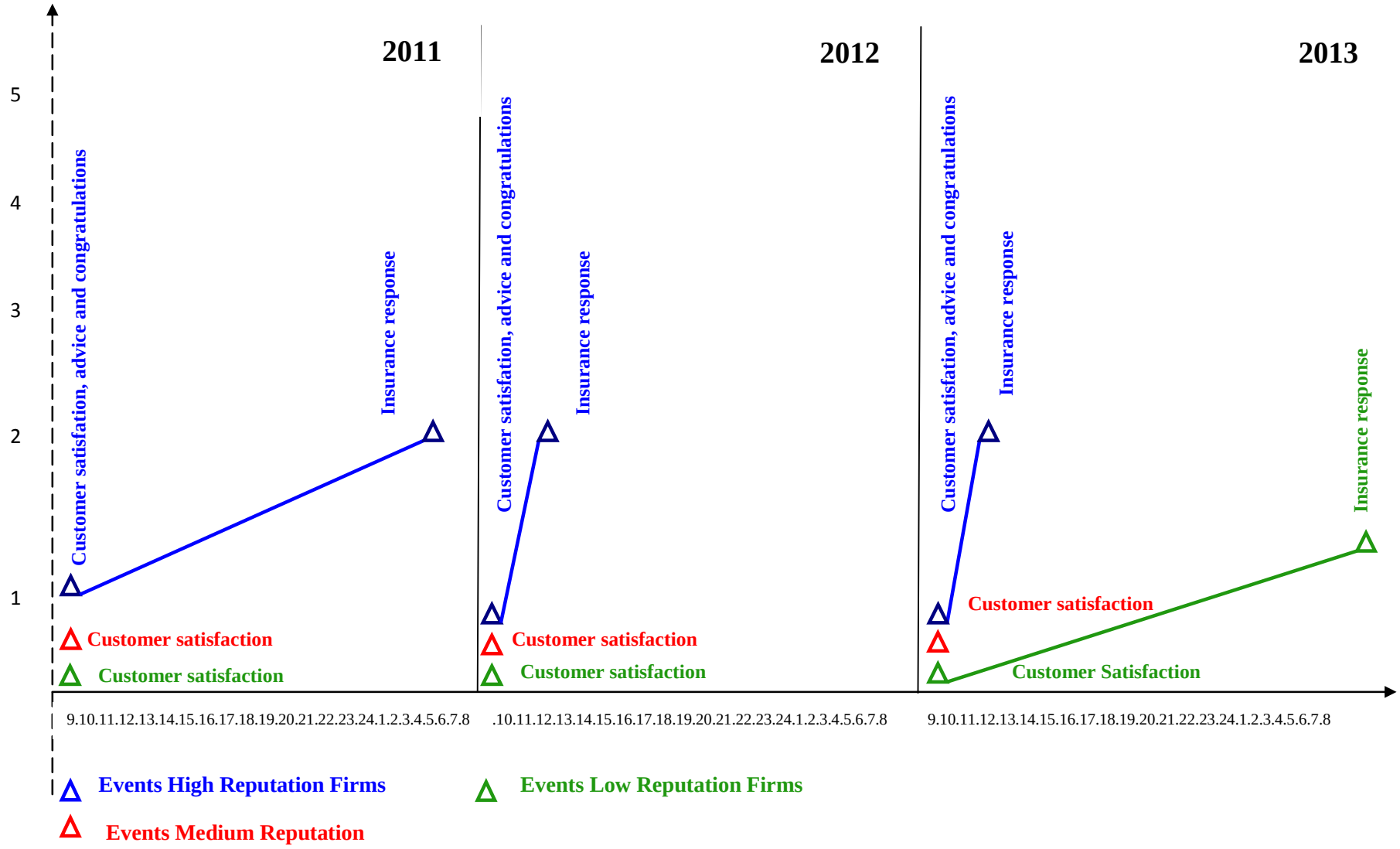
Analysis revealed that medium-reputation companies are able to respond to any formal request for information, the time of interaction ranged from two hours to three days (see Figure 1). The time of interaction was lower for positive and negative customer remarks; it ranged from 1 hour to 1 day.

With respect to the period of analysis, I found that one company in the sample shortened the time to interaction, from 12 days (2011) to one day (2013).

On average, there are three interactions between customers and companies in both negative and neutral conversations and two interactions in positive conversations (see Figure 1-2-3 and Table 6). On average, high reputation companies respond normally to every type of conversation (negative, neutral and positive). The time of interaction ranged from few minutes to 1 day. It is important to note that one company in the sample is sometimes able to reply within few minutes. With respect to the number of interactions, high reputation companies are able to establish a real conversation with their customers: in negative conversations, the number of interactions increased from two in 2011 to four in 2013; in

neutral conversations the number increased from three in 2011 to five in 2013 (Figure 1-3 and Table 6).

Figure 3-Growth Gradient Positive Comment



4.3 Summary of results

The results lend support to the notion that high-reputation companies use social media to manage their reputations. As highlighted before, on average, high reputation companies respond to every customer's comments, while medium and low ones do not. Some high reputation companies (i.e., Tua Assicurazioni) devoted a great deal of effort to managing negative comments in order to improve customer perceptions of the firm's activities.

It is important to note that, during the last three years, high reputation companies improved the timing of interactions with their customers. Focusing on the results regarding communication strategies and the timing and number of interactions, I can affirm that these companies, in contrast to low and medium reputation companies, invest time, resources and effort in participating in social media conversations by trying to build an honest and transparent relationship with their customers.

In particular, Genialloyd offered their customers a coherent and comprehensive service and satisfactory case resolution (see Table 5). At a later stage in an interaction (see figure 1 labeled "customer satisfaction on assistance"), after the company had provided complete information, the customers were satisfied with the service obtained, as exemplified by the following quotation: "*OK thanks, exactly what I wanted to hear. Congratulations for the great service that you offer! Have a good day*".

Customers write comments on social media sites because they believe they will get active support in solving their problems or because they want to report a unsatisfactory consumption experience (Henning-Thurau, 2004). High reputation companies, in contrast to low reputation companies, provide information that helps customers solve their problem, and they strive to improve how they are perceived. For example:

> A fan states, "*The important thing is to sell insurance policies, then zero support, zero answers*"

High-reputation Company responds: "*Hello Alexander, all comments are welcome here, even the negative ones, because they are for us a valuable opportunity for improvement. Is there anything we can do for you? If yes, please indicate the policy number or license plate, so we can help you*."

[…] Fan responds: "*I have changed my mind. Within few hours I've been re-contacted. Thank you for your promptness, but above all, thank you Facebook*".

5 DISCUSSION

With the proliferating use of social media, understanding the impact of these new technologies on the development of corporate reputation is an imperative. Nevertheless, very little research has empirically examined the different impacts of social media communication strategies on the development of corporate reputation. In this paper, I have offered an exploratory empirical study for theory development regarding corporate reputation in relation to a social media context by looking at nine insurance companies. I specifically studied how social media communication strategies have an impact on firms' reputations by analyzing the different communication strategies deployed by these firms in an online environment. Additionally, this longitudinal study shows how communication strategies deployed by firms evolve over time. I recognize that, with the advent of social media, firms may now use different online forms of communications that allow them to shape and manage their corporate reputation.

Previous studies have asserted that, in the formation of corporate reputation, communication is recognized as having a role in the dissemination of information, as well as in promoting the genuine values of the company (Aula, 2010; Carrol, 2013). Communication molds customers' perception of firms' activities and subsequently impacts corporate reputation (Bunting and Lipski, 2000; Furman, 2010; Otubanjo et al., 2010; Wiedmann and Prauschke, 2006). The first contribution of this work, made possible by the qualitative analysis, was to

develop the concepts behind seven communications strategies: Egocentric, Conversational, Blinker, Proactive, Transparent, Secretive and Supportive. These findings are consistent with previous studies on the relationship between corporate communication and corporate reputation (Balmer and Gray, 1999).

Findings demonstrate that some initiatives arranged by firms through social media reflect an interest in creating a deep relationship with customers by using different types of communication. First, companies seeking to contribute to the development of corporate reputation are not restricted to just listening to consumers; rather, they can try to actively influence consumers' positive perceptions (Blinkers, Conversational and Proactive strategies). Second, high reputation companies are able to establish a transparent relationship that improves their interaction with their customers as well as the credibility and image of the company (Transparent strategy). Third, companies seeking to contribute to the development of corporate reputation are committed to providing an active support structure to solve customer problems (Supportive strategy).

Social media enables and facilitates new forms of interaction that may contribute to the development of customer engagement (Brodie et al, 2011). Results are consistent with the conceptualization of customer engagement as an interactive process (Brodie et al, 2011; van Doorn, 2011). I found that companies enable new forms of interaction directed at engaging in conversation with customers and addressing and involving them in the firms' activities. I found that repeated interactions between a customer and firm strengthen their relationship, which affects corporate reputation. Engaged customers can contribute to the long-term reputation of a firm because these customers may create and disseminate information related to the firm that can be used by other constituents, thus creating a reputation for the firm (van Doorn et al., 2010). High reputation companies are likely to receive higher levels of positive

feedback, advice, and information disseminated by customers through social media platforms.

From a managerial perspective, these research findings demonstrate the importance of understanding how firms can build and manage their corporate reputations using social media platforms. To be successful in online corporate reputation management, managers need to actively monitor social media conversations and engage in conversation with their customers by carefully responding to every customer comment. By establishing a direct and personal relationship with their customers, managers can leverage their positive perceptions to increase corporate worth and gain advantages in highly competitive markets. Managers need to encourage internet users to generate content on a company's social media page, which establishes customer engagement with the firms. Highly engaged customers are more likely to spread positive word of mouth, thus reinforcing loyalty and trust in the firm as well as supporting the firm's activities in the future.

Successful online corporate reputation management requires a manager to use social media as a real-time customer support tool. Firms that offer their customers coherent and comprehensive customer service may benefit from a positive reputation. Firms can integrate social media into their channel and communication strategies to provide comprehensive service without the intervention of other firm units or channels.

I have highlighted how social media can enable more frequent, faster, and richer interactions that affect corporate reputation. Additionally, social media allows new forms of interaction that may contribute to the development of customer engagement. In this vein, further attention needs to be given to the relationship between corporate reputation and consumer engagement so that the elements that affect this relationship can be investigated in depth.

Furthermore, longitudinal study designs employing in-depth interviews with managers may help to further clarify how firms can manage their online reputations through social media.

Due to its exploratory nature, this research has a number of limitations, which suggest avenues for further theoretical and empirical research in this emerging area. To improve the generalizability and transferability of these results, future research could extend the analysis to a larger sample of companies and other social media tools (i.e., Twitter and YouTube). In conclusion, I recognize the important limitations of this study. The size of the sample means that I can only provide preliminary results.

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4. BUSINESS MODELS FOR GLOBAL COMPETITION: EVIDENCE FROM THE EUROPEAN INSURANCE MARKET

Abstract

While a great amount of literature has focused on explain the components and of business model research in global competition has not yet prominent in academic discourse.

In particular, how some firms operating in multiple international markets adopt "one for all" business models while others opt for heterogeneous business models that work for multiple international market settlements is not fully understood. This paper attempts to fill this gap by proposing a maturity model that enables observations of how the same company creates value distinctively in the global marketplace. I employed a multiple case study in the European insurance market. This research makes several contributions to insurance companies. First, the components of e-business models identify in my framework of industry leaders serve as benchmarks for e-business models of competitors. Secondly, we offer some practical guidance to managers to develop a successful business model in different markets.

Keywords: e-business models, maturity model, European insurance market

1 INTRODUCTION

Recent advances in communication and information technologies (IT) and the expansion of the Internet and Web 2.0 have led a growing number of companies worldwide to establish new business models to publicize their firms, better serve their customers, facilitate information exchanges with their customers and suppliers, and increase sales with IT-enabled channels. These developments have revolutionized the traditional business models of how firms operate and have opened new horizons for the design of business models by enabling firms to fundamentally change the way they organize and engage in their business processes.

Over the last two decades, the term "business model" has played a central role in more studies in the management, strategic, information system and innovation literature (Amit and Zott, 2001; Casadesus-Masanell and Ricart, 2010; Chesbrough and Rosenbloom, 2002; Osterwalder et al, 2005; Pateli and Giaglis, 2004; Zott et al, 2011).

The business model represents a firm's formula for unique value creation and appropriation (Chesbrough and Rosenbloom 2002; Osterwalder and Pigneur 2010; Teece 2010), and the e-business model concept describes how business can be conducted over the Web (Zott et al, 2011). However, some strands of business model literature have concentrated more on technology management and innovation to elucidate how firms recognize the value embedded in new technologies and convert it into profit (Chesbrough & Rosenbloom, 2002). Strategic management scholars have investigated how firms create value and the relationship between business models, firm performance and competitive advantage (Amit and Zott; 2001; Casadesus-Masanell and Ricart, 2010; Morris et al., 2005; Zott and Amit, 2007). Other scholars have focused their attention on the concept of the e-business model to investigate how the advancement in Information and Communication Technologies influences a firm's processes and operation (Timmers, 1998; Osterwalder and Pigneur, 2002; Magretta, 2002; Weill and Vitale, 2002).

Despite the importance of this topic to both academia and practice, research on the business model in global competition is not yet prominent in academic discourse. In particular, how some firms operating in multiple international markets adopt "one for all" business models while others opt for heterogeneous business models that work for multiple international market settlements is not fully understood. This paper attempts to fill this gap by proposing a maturity model (Becker et al, 2009; Fraser et al, 2002; Pöppelbuß et al, 2011) with broad categories and a set of indicators that enable observations of how the same company creates value distinctively in the global marketplace by combining technology, capital, products, and value-creation activities that suit foreign or global market needs particularly well, resulting in an advantage over its global rivals and sustained profitability.

I employed a multiple-case study in the European insurance market to show the e-business model levels of maturity of companies that operate in multiple international markets. I chose the insurance market because this sector is characterized by the co-existence of different organizational forms in which the specifics of business models differ by country, service segment and firm strategy (Capgemini, 2011).

This research allows us to propose an early conceptualization of a Maturity Model for the e-business model and the behaviors representative of each level. Through this model, I offer a means to compare and evaluate e-business models.

This research also makes several contributions to insurance companies. First, the components of the e-business models identified in our framework of industry leaders serve as benchmarks for the e-business models of competitors. Secondly, I offer some practical guidance to managers for developing a successful business model.

The paper is organized as follows. Section 1 presents the business model literature review, focusing on analyzing e-business models. Section 2 presents the maturity framework to

evaluate e-business models. Section 3 presents the methodology. Section 4 presents the major findings. The final section highlights the discussion and conclusion of this research.

2 LITERATURE REVIEW

The analysis of the literature revealed that the business model represents a broad concept that encompasses different streams of research, ranging from Information Systems to Strategic Management (Amit and Zott, 2001; Osterwalder et al, 2005; Pateli and Giaglis, 2004; Rappa, 2001; Timmers, 1998).

The term "business model" gains popularity in connection with the dot-com or e-commerce revolution at the end of 1990s. Since then, the term has become commonly used both in practice and in scientific research (Alt and Zimmermann, 2001). The Internet has provided new ways to perform transactions and deliver customer value. In this vein, researchers have devoted attention to a specific research stream called "e-business" that means "doing business electronically" (Zott et al, 2011). It has been recognized that e-business models reflect a set of Internet and non-Internet-related activities that allows a firm to make money using the Internet. When an e-business model is well-formulated, it gives a firm a competitive advantage in its industry (Afuah and Tucci, 2003). Based on this idea, researchers have devoted more attention to understanding how firms can engage in Internet-based business processes (Zott et al, 2011).

To that end, researchers have addressed various themes such as e-business model taxonomies (i.e., Applegate, 2001; Timmers, 1998; Weil and Vitale, 2002), the conceptualization and definition of e-business models (Afuah and Tucci, 2003; Amit and Zott, 2001; Chesbrough & Rosenbloom, 2002; Osterwalder, 2004; Teece, 2010) and the identification of components that detail how the e-business model is developed (Osterwalder, Pigneur, & Tucci, 2005; Amit and Zott, 2001). Their contributions assert that e-business models describe how a business creates and delivers value to customers and then converts payments received to

profits. In addition, most authors agree that a business model articulates a firm's value proposition, its sources of revenue, the resources used to extract profits, and the governance mechanism that links the firm's stakeholders (Zott and Amit 2010).

2.1 E- Business Models Definition

Scholars have proposed numerous definitions of "e-business model" over the last decade, but there is no commonly accepted definition (Amit and Zott, 2001; Casadesus-Masanell and Ricart, 2010; Chesbrough and Rosenbloom, 2002; Johnson et al., 2008; Magretta, 2002; Morris et al., 2005; Osterwalder and Pigneur, 2010; Teece, 2010; Zott and Amit, 2010).

The initial and perhaps most often cited definition of the e-business model research stream is provided by Timmers (1998), who defines a business model as "an architecture for product, service and information flows'' (Timmers, 1998 pg. 4). According to this definition, an e-business model describes the key component of a business idea, including products, actors, roles, sources of revenues and information. Based on this definition, Weill and Vitale (2001) describe an e-business model as: "A description of the roles and relations among a firm's consumers, customers, allies, and suppliers that identifies the major flows of product, information, and money, and the major benefits to participants" (Weill and Vitale, 2001). They incorporate in this definition three classes of objects that enable the analysis and design of e-business initiatives: participants (customers, suppliers and allies) relationships and flows (money, information and products). In the same vein, Osterwalder and Pigneur (2002) conceive of the business model as the conceptual implementation of a firm strategy that represents the foundation for the implementation of business processes and information systems.

In this paper, to facilitate the development of my argument, I have adopted one of the most comprehensive definitions offered by Osterwalder (2004): *"A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing a company's*

logic of earning money. It is a description of the value a company offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams" (Osterwalder, 2004:15).

2.2 E- Business Models Taxonomies and Frameworks

A great deal of research has described and proposed various typologies of business models and frameworks that explain how businesses use the Internet to interact and how value is created for customers and other stakeholders (Lumpkin and Dess, 2004; Magretta, 2002; Osterwalder and Pigneur, 2002; Osterwalder et al, 2005; Richardson, 2008; Rappa, 2001; Timmers, 1998; Weill & Vitale, 2001).

Regarding e-business models taxonomies, one interesting proposal is offered by Lumpkin and Dess (2004) that identify four value-adding activities for the Internet: search, evaluation, problem-solving and transaction. Based on these value-adding activities, they discuss seven types of e-business models: commission-based, advertising-based, markup-based, production-based, referral-based, subscription-based, and fee-for-service-based. These e-business models provide new ways to add value using the Internet. Different taxonomies exist; for example, Timmers (1998) introduces eleven types of e-business models based on two criteria: the degree of innovation and the extent of function integration. The e-business models presented ranged from e-shops and e-procurement to trust and other third-party services. Weill and Vitale (2001) have a slightly different approach; they analyze eight "atomic" e-business models that can be combined to create new e-business initiatives. E-business initiatives can be created by pure atomic business models or by combining them. Rappa (2001) proposes nine basic categories of e-business models. This classification includes brokerage model, advertising model, infomediary model, merchant model, manufacturer model, affiliate model,

community model, subscription model and utility model. A firm may combine several models as part of its overall Internet business strategy.

A great deal of research has attempted to describe and propose the components of e-business models (Afuah and Tucci, 2003; Amit and Zott, 2001; Applegate, 2001; Morris, et al 2005; Osterwalder and Pigneur, 2002, 2010).

Amit and Zott (2001) present three components of e-business models, including transaction content (exchanged goods and information), transaction structure (participants and the links among them), and the governance of transactions (the ways that the flows of goods, information and resources are controlled). Afuah & Tucci (2001) propose a comprehensive description of the components of a business model including customer value (distinctive offering or low cost), scope (customers and products/services), price, revenue sources, connected activities, implementation (required resources), capabilities (required skills), and sustainability.

Morris *et al*. (2005) propose a model consisting of six components that represent key decision areas: factors related to offerings, market factor, internal capabilities, competitive strategy, economic factors, and personal/investor factors.

To explain the relationship between technological innovation and business models, Chesbrough and Rosenbloom (2002) identify six different functions: the value proposition, the target market segment and revenue sources, the value chain and complementary assets, the cost structure and profit potential, the position of the firm in the value network, and the competitive strategy of the firm.

In this vein, researchers have begun to attempt to summarize all the existing theoretical contributions. The most significant contribution is proposed by Osterwalder (2004) and Osterwalder and Pigneur (2010) who, through the use of ontologies, have tried to summarize previous research.

According to this business model ontology, the main elements of an e-business model are divided into four pillars: Product, Customer Interface, Infrastructure Management and Financial Structure. These pillars are then further subdivided into nine building blocks and associated with each other through bilateral relationships; namely, value proposition, target customer, distribution channel, relationship, value configuration, capability, partnership, cost structure, and revenue model.

The *Value Proposition* dimension is an overall view of a firm's bundles of products and services (Osterwalder, 2004; Osterwalder and Pigneur, 2010). This dimension implies that a business model includes a description of the products and services that a firm offers, along with their related information. The *Target Customer* element includes the definition of groups of people whom a firm aims to reach and serve (Osterwalder, 2004; Osterwalder and Pigneur, 2010). The *Distribution Channel* element allows a company to deliver value to its customers, either directly — for example through a sales force or over a Website or indirectly through intermediaries, such as resellers, brokers or cybermediaries. The distribution channel describes how a company contacts and communicates with its customers (Osterwalder, 2004; Osterwalder and Pigneur, 2010). The *Relationship* element concerns the relationships a company builds with its customers (Osterwalder, 2004; Osterwalder and Pigneur, 2010). These relationships can range from personal to automated services (Cherif and Grant, 2013). The *Capability* element refers to repeatable patterns of action in the use of assets to create, produce, and/or offer products and services to the market (Osterwalder, 2004; Osterwalder and Pigneur, 2010).

The *Value Configuration* regards shows all activities, processes and resources and the links among them necessary to create value for the customer (Osterwalder, 2004; Osterwalder and Pigneur, 2010). This dimension describes how activities are arranged to deliver value to customers. The seventh element of the business model ontology is the *Partnership*, which

describes the network of partners and suppliers that collaborate with the firm (Osterwalder, 2004; Osterwalder and Pigneur, 2010). The *Revenue Model* describes the ability of a firm to generate revenue and profit through its business model (Osterwalder, 2004; Osterwalder and Pigneur, 2010). In this dimension, I include content that describes the way a company makes money through a variety of revenue flows.

The *Cost Structure* element represents all costs the firm incurs to create and deliver value to its customers (Osterwalder, 2004; Osterwalder and Pigneur, 2010).

This model offers a useful framework for the analysis of the different elements of the business model. I have adopted this framework to facilitate the development of my argument because the subcomponents of the building blocks are intuitive, easily identifiable, and quantifiable.

2.3 Maturity Model

Maturity models are conceptual, multistage models for assessing an organization's current state and for targeting areas for improvement. They are valuable tools for decision makers in practice (Mettler, 2011).

According to Becker et al (2009), a maturity model "consists of a sequence of maturity levels for a class of objects" and "it represents an anticipated, desired, or typical evolution path of these objects shaped as discrete stages." The principal idea of the maturity model is to determine the current situation of a firm and to derive improvements measures and plan the related strategy related to a specific discipline or area under study (Becker et al, 2009; Fraser et al, 2002; Pöppelbuß et al, 2011). Additionally, a maturity model prescribes levels of progression in which each level is superior to the previous one.

In the literature, maturity models are generally described as conceptual structures organized on several levels, useful for analyzing the development of organizational capabilities (de Bruin et al., 2005; De Carlo and Cabiddu, 2013; Solli-Sæther and Gottschalk, 2010). One of

the most prominent examples is the Capability Maturity Model (and its successor Capability Maturity Model Integration) developed by the Software Engineering Institute as a method of judging the level of maturity of an organization's software processes (Paulk *et al*., 1993). It is been recognized that the CMM and its successor, the CMMI, are the principal foundations of the research on maturity models (Pöppelbuß et al, 2011). Based on these foundations, maturity models have been proposed for a range of activities including e-government (Davison et al, 2005), e-business (Chan and Swatman, 2004; Prananto et al, 2003), business process management (Rosemann and de Bruin, 2005; Lee et al, 2007), and business intelligence initiatives (Lahrmann et al, 2010).

For e-business maturity assessment, the analysis of literature revealed that different models (Chan and Swatman, 2004; McKay et al, 2000; Prananto et al, 2003; Rao et al, 2003) focus both on the technological and business aspects. These models try to explain the different levels of maturity in terms of the use of traditional IT and e-commerce. These different types of maturity models proposed in previous literature on e-business (Chan and Swatman, 2004; Prananto et al, 2003; Rao et al, 2003) share the common property of defining a number of dimensions, process areas, or levels of maturity, a description of the characteristics of each level, and a number of activities for each dimension.

Following the directions provided by the literature for the design and validation of models of maturity (Becker et al., 2009), I propose a framework that describes the progressive development of an e-business model based on the adoption and progression of a range of technological implementations via a series of specific levels.

The model assumes that the progression is from less mature to the most advanced level of sophistication. The progression from one level to the next reflects the accumulation of knowledge, expertise, experience and skills and therefore is indicative of organizational learning (Zollo and Winter, 2002). Four level of maturity are proposed:

1. *No presence*: Firms are not involved in e-business activities.
2. *Static*: Firms are involved in e-business activities. They have a website where customers can find detailed information about the products and/or services offered. At this level, there is a bidirectional communication from the company to customers, generally via e-mail.
3. *Interactive:* At this level, customers can obtain information about products or services already purchased through access to an account. The transaction cannot be completed online. Customers use another channel to complete the transaction. Companies seek to understand the desires and expectations of their consumers by opening dialogue with them.
4. *Pro-active:* Firms' information systems have evolved to be able to complete online transactions. Now orders and payments can be completed online. Firms obtain feedback from their customers to improve the value proposition.

3 METHODOLOGY

The aim in conducting this research is to evaluate the e-business model levels of maturity of companies with multiple international markets strategies.

It is been recognized that business models are conceptual tools that express firms' business logic (Osterwalder et al, 2005), and they are operationalized through Internet sites (Cherif and Grant, 2013). Consequently, in this research, I decided to analyze the websites of multinational insurance companies to assess the maturity of their business models and to understand how the same company creates value distinctively in the global marketplace by combining technology, capital, products, and value-creation activities that suit foreign or global market needs particularly well, resulting in an advantage over its global rivals and sustained profitability.

To answer the research question, I opted for an exploratory, multiple-case study (Eisenhardt, 1989). Case studies are a preferred research strategy for examining complex social phenomena because they allow researchers to develop a holistic understanding of real-life events (Yin, 1984).

3.1 Research Setting and Sample Selection

The research setting is the European insurance market. I chose this market because insurance companies are characterized by their global capabilities and their need to compete in multiple markets. There are many large, multinational companies, selling both life and non-life products through a range of subsidiaries that may specialize in one product line. In Europe, the insurance industry is still a local business; indeed, distribution channels and products differ from country to country, and many leading positions are held by local players (BGC, 2008). The insurance market is characterized by the co-existence of different organizational forms in which the specific business models differ by country, service segment and firm strategy. In the last few years, some European insurance companies have strengthened their home-market positions, expanding across Western Europe and building growth platforms in Eastern Europe (BGC, 2008).

To select the sample, I constructed a data set containing information about the largest insurance companies operating in the European market in terms of premiums written (Insurance Europe, 2013). For each company, I collect different information such lines of business (life and non-life) and premiums written in 2010, 2011, and 2012.

I then conducted a web search to verify which insurance companies operate in more than one European country. I found that seven insurance groups work in several European countries. I include in the sample only insurance companies that operate in the non-life segment to obtain comparable cases (see Table 1).

Table 1- Description of cases

Insurance Company	Segment	Countries
Allianz	Life and Non-life	1. Austria 2. Bulgaria 3. Czech Republic 4. Croatia 5. France 6. Germany 7. Ireland 8. Italy 9. Poland 10. Portugal 11. Romania 12. Spain 13. Switzerland 14. Slovakia
Aviva	Life and Non-life	1. Ireland 2. Italy 3. Poland 4. Spain 5. UK
AXA	Life and Non-life	1. Belgium 2. France 3. Ireland 4. Italy 5. Luxembourg 6. Portugal 7. Spain 8. Switzerland 9. UK
Ergo	Life and Non-life	1. Austria 2. Estonia 3. Germany 4. Poland
Generali	Life and Non-Life	1. Austria 2. Czech Republic 3. France 4. Italy 5. Romania 6. Slovakia
Zurich	Life and Non-life	1. Ireland 2. Italy 3. Spain 4. Switzerland 5. UK

3.2 Data Collection and Data Analysis

I collect data from different sources: 1) the content of the insurance companies' websites and 2) archival data, including governmental and business publications.

The initial data-collection technique involved the observation of 30 insurance companies' websites to improve my understanding of the phenomena. Based on this initial analysis, I found that only certain dimensions of the Osterwalder and Pigneur (2002) frameworks are evident on the websites. Specifically, companies do not display information on their competences and assets (capability dimension) and on the activities, processes and resources necessary to create value for customers (value configuration). For the partnership dimension, companies highlight only the list of partners. Finally, for the financial aspect of the business model, the revenue structure is not displayed on all websites; the company provides information on financial performance, detailed annual reports, and information about investments and divestitures.

I decided to focus the analysis only on the remaining components: Value proposition, Distribution Channel and Relationship.

To collect data on these components, I developed a conceptual framework with the aim of defining the behaviors typical of each level of the maturity model defined in the previous section.

I characterize each level by the company's mastery of specific behaviors, which denote a certain level. This means that only companies that practice those behaviors have reached that level of maturity.

The initial list of behaviors was based on the main literature on business models (Osterwalder, 2004; Osterwalder and Pigneur, 2010), website evaluation (Chiou, Lin, and Perng, 2010; Elliot, 2002; Park and Gretzel; 2007; Steinfield, 2005; Yao, 2004) and maturity model (Chan and Swatman, 2004; Mc Kay et al, 2000; Prananto, 2003; Rao et al, 2003).

Subsequently, the list was refined to take into account the distinctive characteristics of insurance websites (see Table 3-5). In developing these lists, I do not take into account the first level named "no-presence" that implies that firms are not involved into e-business activities.

Table 2- Value Proposition Level of maturity

Level 2	Companies provide the name and description of each service.
	Services offered are subdivided into categories (Life, Health, Non-life).
	Companies display information about services' price.
	Website provides tools to compare the prices of different services.
	Website highlights information about purchase policies.
	Customer can download documents about policies' warranties.
	Website display a FAQ section about services offered.
	Website highlights a "what's new" section about products and services.
Level 3	Customers can receive e-mail about new policies
	Website offers e-mail based support.
	Website allows customers to rate service offered.
Level 4	Website has a section dedicated to customers' testimonials.
	Website has a section dedicated to expert comments about service offered.
	Customer can directly ask questions on products and services through online chat room or discussion forum.
	Website allows customers to comment on service offered.
	Website has a section in which customers can provide input and reviews.

Table 3- Distribution Channel Level of maturity

Level 2	Website allows customers to find an agency using a ZIP code.
	Website displays the list of all agencies
	Website has a section dedicated to the agencies
	Section in which customers can make an appointment at an agency
	Agents Contacts
	Ability to contact an agency
	Ability to contact an agent to obtain additional information directly through the website
	Customer can get a quote directly on the website

Level 3	Ability to obtain information about an online policy through the account access
	Modify the offline policy information through the account access
	Ability to obtain information about an offline policy through the account access
	Modify the offline policy information through the account access
	Multimedia demonstrations of Buying Process
Level 4	Website has a security section describing a safe transaction.
	Company provides an Online Payment Section
	Company is able to propose different methods of payment
	Website Information about online payment methods
	Website provides support information about online purchasing

Table 4- Relationship Level of maturity

Level 2	Contact information for customer service
	Help Section
	FAQ Section
Level 3	Online account access for the online policy to gain access to personalized accounts or private messages.
	Online account access for the offline policy to gain access to personalized accounts or private messages.
Level 4	Personal Digital Assistant

The list of behaviors highlighted in Tables 2-4 were coded independently by two researchers using a binary variable, representing whether a Website had a particular functionality, where one was "yes," zero was "no," and undefined variables were considered missing values. The global score of each level has been obtained by adding the individual scores for every relevant item in each dimension (for the detailed analysis, see Appendix E).

Following recommendations for multiple-case theory building (Eisenhardt, 1989b; Eisenhardt & Graebner, 2007), I used within-case and cross-case analysis techniques to look for patterns, often revisiting the data and using charts and tables to facilitate comparisons between cases (Miles & Huberman, 1994). I initially constructed case histories of each insurance company using data gathered from both archival data and information gathered from the companies' websites.

The outcomes of the within-case analyses were compared during the cross-case analysis to improve the rigor and quality of the results and to identify consistent patterns, themes and discrepancies (Eisenhardt & Graebner, 2007).

4 FINDINGS

In this section, I provide a benchmark of each behavior by area and level. Evidence from the case studies allows us to assert that companies in the sample present heterogeneous levels of maturity in each area of investigation (value proposition, distribution channel and relationship dimensions). Additionally, the analysis shows that firms adopt a heterogeneous business model in different countries that present different levels of maturity. The following section presents the findings from the cross-case analysis of the three dimensions.

4.1 Value proposition

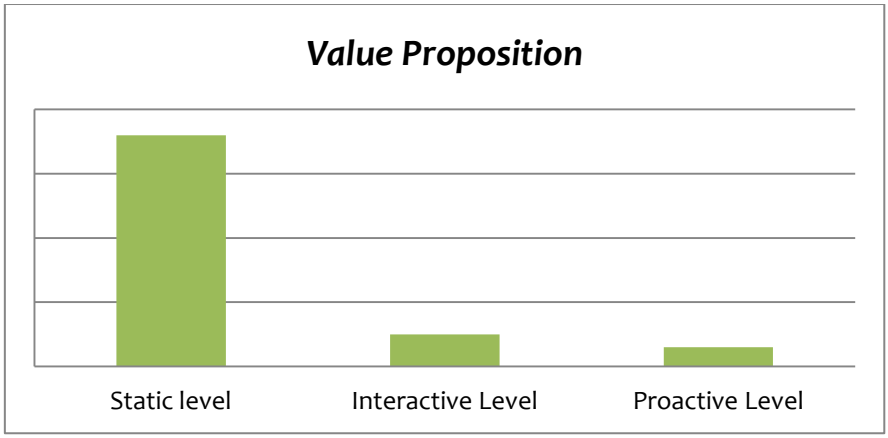
From an initial examination of the results, it is immediately notable that the majority (36) of websites analyzed are positioned at the second level of maturity (see Figure 1). At this stage, companies focus their e-business activities only on providing detailed information about the products and/or services offered. Website functionalities are limited; the companies' real aim, at this level, is to inform customers about their value proposition (see Appendix D).

Only five companies reach the interactive level (third level). These companies offer e-mail-based support to their customers. In some cases, websites allows customers to rate the service offered. Companies reach a superior level of interactivity with their customers. At this level, companies need to understand the desires and expectations of their consumers by opening dialogue with them.

Only three companies reach the proactive level. In this case, the companies provide online tools aimed at enabling customers to provide direct feedback and reviews on products and services offered by the firm. The customers also can communicate directly with the company

through online chat rooms. Additionally, the companies provide virtual rooms in which experts offered technical reviews about products offered.

Figure 1- Results value proposition dimension



4.2 Distribution Channel

As highlighted in the previous business model component, the majority (22) of websites analyzed are positioned at the second level of maturity (see Figure 1).

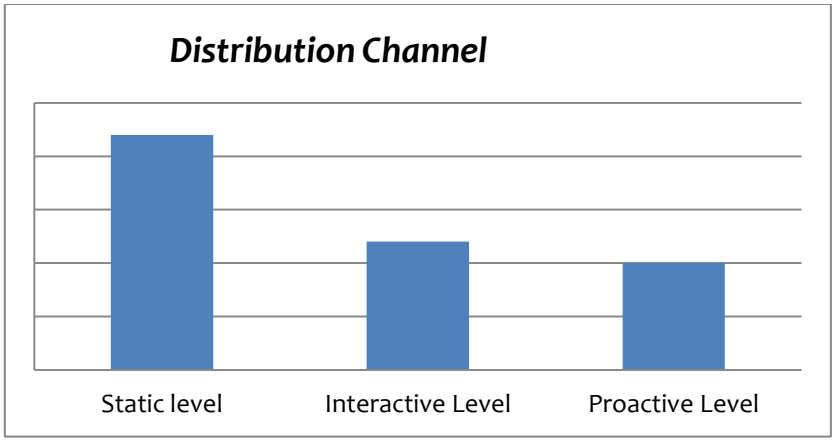
At this level, websites highlighted information on the agent network (e.g., ZIP code, list of agencies). Companies have dedicated a section to the agencies where customers can directly contact agents through an e-mail address. It is not possible to complete a full transaction online, but customers can get quotes directly on the website.

For the interactive level (third level), the distribution channel dimension presents better results than the value proposition one (Figure 2). Only twelve websites proposed an online account in which customers can obtain information and modify their policies both on the physical and digital channels (i.e., website, mobile, and social media). Additionally, some of these companies exhibit some videos and other multimedia demonstrations to explain to customers how use the technical tools.

For the proactive level of maturity, the aforementioned considerations are valid. There are ten companies positioned at the fourth level of maturity, which allows customers to perform a full transaction online. The websites provide an online payment section and propose different

methods of payment. The website functionalities are complex, and the companies' real aim, at this level, is to provide a full transactional service to their customers.

Figure 2- Results Distribution Channel dimension



4.3 Relationship

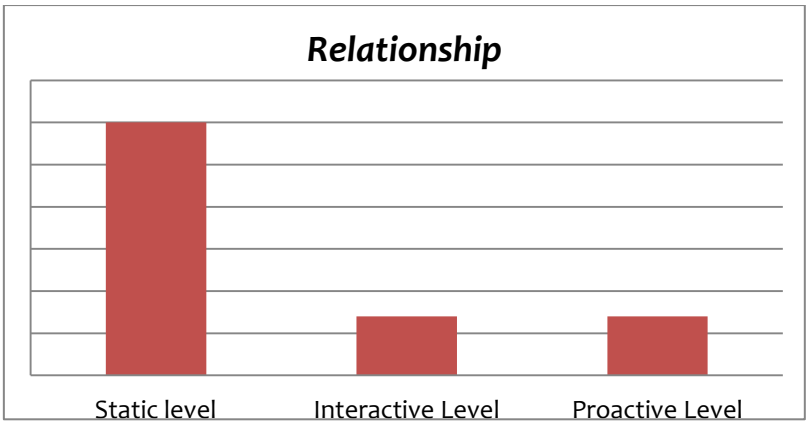
As with the previous business model components, the majority (30) of websites analyzed are positioned at the second level of maturity (see Figure 1).

At this stage, companies stress their e-business activities and only provide detailed information about customer service. Website functionalities are limited, and the companies' real aim at this level is to support their customers during the purchase cycle by offering a FAQ section and the contact numbers of the customer service.

At the third level of maturity, companies aimed to create a relationship with their customers enabled by technologies. These seven websites make online account access available for personalized information or private messages regarding insurance policies purchased both online and through physical channels.

For the proactive level of maturity, I found companies that experiment with new technological advancement. At this level, companies have established a Personal Digital Assistant to directly communicate with customers. Companies make an effort to successfully exploit digital technologies and create a deep relationship with customers through those technologies.

Figure 3- Results Relationship Dimension



4.4 Summary of results

The results lend support to the notion that companies do not exhibit high levels of sophistication in their business models. In all three dimensions analyzed, the majority of companies reach the second level of maturity (static level). This means that European insurance companies use their business models to publish information for various stakeholders such as products and services information, company history, contact details, agent network and customer service information.

I can assert that the static level is an essential stage for experimenting, learning and building a base for the development of more innovative technological implementations in business models.

It is important to note that only one company in the sample, Allianz Croatia, reaches the highest level of maturity on all three dimension analyzed. Allianz Croatia developed the capability of completing online transactions, obtaining feedback from customers and digitalizing customers service activities.

I can assert that Allianz Croatia is the only company able to activate the organizational changes needed to implement a sophisticated e-business model. It also reflects the ability of Allianz Croatia to accumulate knowledge, expertise and experience.

4.5 Main differences within companies

To test the differences between multinational companies in their e-business model maturity, I compared the results obtained for each company in the sample (for details, see Appendices E and F).

The analysis revealed that Allianz served European insurance markets with local Allianz Companies. Allianz operates in Germany, Italy, France, Austria, Bulgaria, Czech Republic, Croatia, Ireland, Poland, Portugal, Romania, Spain, Switzerland and Slovakia. Table 5 shows that the cases investigated present contrasted levels of maturity in their e-business model, and only Allianz Croatia reported a high level of maturity in all dimension analyzed.

Table 5- Allianz Results

	Static Level	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
Value Proposition	Allianz AT Allianz BU Allianz CH Allianz CZ Allianz DE Allianz IE Allianz IT Allianz SP Allianz SK	6 6 5 5 6 5 4 6 5	Allianz PT Allianz PL Allianz RO	7 7 8	Allianz FR Allianz HR	1o 9
Distribution Channel	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Allianz AT Allianz BU Allianz IE Allianz IT Allianz PT Allianz SP Allianz RO Allianz SK	7 3 1 6 4 2 6 3	Allianz CH Allianz FR Allianz DE Allianz CZ	12 1o 1o 8	Allianz HR Allianz PL	16 17
Relationship	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**

	Allianz AT Allianz BU Allianz CH Allianz CZ Allianz FR Allianz DE Allianz IE Allianz IT Allianz PT Allianz RO Allianz SP	2 1 3 3 1 3 3 1 3 3 3	Allianz SK	4	Allianz HR	6

As you can see from the Table 6, Aviva companies present different levels of maturity in their e-business model. It is important to note that Aviva UK presents the highest level of sophistication in all three dimensions investigated (see Appendix F for detailed analysis).

Table 6- Aviva Results

	Static Level	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
Value Proposition	Aviva IE Aviva IT Aviva PL Aviva SP	6 4 5 5			Aviva UK	13
	Static Level	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
Distribution Channel	Aviva IE Aviva IT Aviva SP	1 4 4			Aviva UK Aviva PL	10 12
	Static Level	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
Relationship	Aviva IE Aviva IT Aviva PL Aviva SP	3 1 2 2	Aviva UK	5		

AXA is the most important European insurance group in terms of premiums written and the world's second-largest insurer in term of assets. I conducted an in-depth analysis of AXA websites in Belgium, Switzerland, France, Ireland, Italy, Luxembourg, Portugal, Spain and

UK. As highlighted in Table 7, I discovered that the highest levels of maturity are reached by AXAFrance. For the value proposition dimension, is important to highlight that all companies in the sample are positioned on the lowest level of maturity (see Appendix F for detailed analysis).

Table 7- AXA Results

	Static Level	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
Value Proposition	AXA BE AXA CH AXA FR AXA IE AXA IT AXA LU AXA PT AXA SP AXA UK	5 6 6 5 5 6 6 6 6				
	Static Level	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
Distribution Channel	AXA BE AXA LU AXA PT AXA UK	5 4 4 3	AXA CH AXA IE AXA IT AXA SP	7 8 8 10	AXA FR	13
	Static Level	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
Relationship	AXA BE AXA CH AXA IT AXA LU AXA UK	1 1 0 2 3	AXA PT AXA SP	3 4	AXA FR AXA IE	5 5

Ergo is a multinational company that operates in more than 30 countries worldwide, but the focus of its activities is in Europe. I investigated the websites in Germany, Estonia, Austria and Poland. I obtain very similar results in all the countries I examined, with the exception of Ergo Germany and Ergo Poland, which reached the highest level of maturity in the distribution channel dimension.

Table 8- Ergo Results

Value Proposition	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Ergo AT Ergo EE Ergo PL	4 5 6	Ergo DE	7		
Distribution Channel	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Ergo AT Ergo EE	4 5			Ergo DE Ergo PL	10 10
Relationship	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Ergo AT Ergo EE	0 2	Ergo DE Ergo PL	3 3		

My investigation shows that Generali served the European insurance market with local companies. I analyzed Generali websites in Germany, Italy, France, Austria, Czech Republic, Romania, and Slovakia. As shown in Table 9, the e-business models analyzed do not present high levels of sophistication. Only two companies reached the high level of maturity in the Relationship dimension, Generali France and Generali Italy. Specifically, in the value proposition dimension, only Generali Romania reached the third level, and in the distribution channel dimension, Generali France, Italy and Slovakia reached the same level (see Appendix F for detailed analysis).

Table 9- Generali Results

Value Proposition	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Generali AT Generali CZ Generali DE Generali FR Generali IT Generali SK	6 5 6 5 6 6	Generali RO	7		
Distribution Channel	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**

	Generali AT Generali CZ Generali DE Generali RO	3 6 6 3	Generali FR Generali IT Generali SK	7 12 9		
Relationship	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Generali AT Generali CZ Generali DE Generali RO Generali SK	3 2 3 1 3			Generali FR Generali IT	5 5

Zurich Group is a Swiss insurance company that operates in more than 170 countries worldwide. It is the 5th-largest European insurance group in term of premiums written and the 19th-largest in Germany. In this research, I focus the investigation on in Switzerland, Ireland, Italy, Spain and UK websites.

As shown in Table 10, I found that different companies present different stages of maturity with regards to their e-business initiatives. Only Zurich Switzerland reached the high level of maturity in the Distribution Channel and Relationship dimensions. In the value proposition dimension, the findings about AXA companies apply; all companies in the sample are positioned on the lowest level of maturity (see Appendix F for detailed analysis).

Table 10- Zurich Results

Value Proposition	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Zurich CH Zurich IE Zurich IT Zurich SP Zurich UK	6 6 5 6 6				
Distribution Channel	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**
	Zurich IE	6	Zurich UK	7	Zurich CH Zurich IT Zurich SP	11 11 11
Relationship	**Static Level**	**Score**	**Interactive Level**	**Score**	**Proactive Level**	**Score**

	Zurich IT Zurich SP	1 1	Zurich UK	3	Zurich CH Zurich IE	4 5

5 DISCUSSION AND CONCLUSION

Despite the growing interest in the business-model concept (Afuah and Tucci, 2003; Amit and Zott, 2001; DaSilva and Trkman; 2013 Osterwalder and Pigneur, 2002, 2010; Zott et al, 2011), there is little systematic research on how multinational firms create value distinctively in the global marketplace.

I have offered an exploratory empirical study aimed at addressing this literature gap and broadening theory and research on both e-business models and maturity models.

Throughout the multiple-case analyses, I found that the maturity model proposed is able to capture the subtle nuances and differences of e-business within the insurance companies.

Previous studies have focused on assessing the stages of growth of e-business initiatives by describing the firm position in terms of electronic commerce development (Chan and Swatman, 2004; Mc Kay et al, 2000; Prananto, 2003; Rao et al, 2003). I extend this literature by proposing an early conceptualization of a Maturity Model for e-business models. I also conceptualized the behaviors representative of each level, and I find support for the four-level structure of the model.

Results suggest that maturity indicates the degree of sophistication with which companies usually implement a set of behaviors and technological advancement. These results are in line with previous literature that assumes the progression from one level to the next level of maturity reflects continuous organizational learning (Zollo and Winter, 2002).

Previous research on business models has demonstrated the need for specific theoretical and empirical research in assessing business models from different perspectives (Pateli and Giaglis, 2004). I attempted to respond to this call by offering a framework through which to compare and assess different e-business models.

As highlighted, how multinational companies innovate with and create value with their business models has not yet been prominent in academic literature. In this paper, I offer a multi-country comparison to understand what companies adopt for heterogeneous business models that work for multiple international market settings.

The analysis shows that firms adopt heterogeneous business models in multiple international markets that present different levels of maturity. However, I do not investigate the connection between the success factors of business models and the cultural influence of the countries where the business models are implemented. Accordingly, previous research has recognized that cultural national factors are important determinants in global e-business (Singh et al, 2005). Future work should leverage the model to better understand the process by which e-business maturity evolves as a result of national cultural factors (Hofstede, 1980).

Previous research recognized that institutional theory explains how firms adapt their institutionalized practices, strategies or structures to match changes in their environment (DiMaggio and Powell 1983). Institutional theory explains how organizations adapt to institutional change through three different mechanisms: mimetic, normative, and coercive isomorphism. This theory can be useful in explaining the differences in business model adoption and levels of maturity according to the local market in which firms operate. Future research will examine how mimetic, normative and coercive pressures affect the adoption of business models across multiple markets.

Due to its exploratory nature, this research has several limitations that suggest avenues for further theoretical and empirical research in this emerging area. To improve the generalizability and transferability of the results, future research could extend the analysis through a quantitative analysis aimed at validating empirically the e-business model maturity framework and the list of behaviors that compose each level.

The theorized model has conceptualized a tool to provide guidance and to generate discussion when firms plan for e-business. This helps managers identify similarities and differences, strengths and weaknesses among e-business models, allowing companies to improve performance, customer satisfaction and prepare for future competition.

Thank to this research, I have improved my understanding of firms' internationalization strategies concerning their e-business models. Managers can use the model in assessing their e-business progression in international markets, in predicting any difficulties in the localization of their e-business activities and in anticipating their long-term e-business initiatives.

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Appendix A- Interview Protocol

Multichannel Distribution

Questionario per le Compagnie di Assicurazioni

INFORMAZIONI GENERALI SUL SOGGETTO INTERVISTATO

- Nome:
- Cognome:
- Esperienza professionale in campo assicurativo (in anni):
- Funzione svolta all'interno dell'impresa:

INFORMAZIONI GENERALI SULL'IMPRESA INTERVISTATA

- Denominazione sociale dell'impresa:
    - Sede legale dell'impresa:
    - Tipo di attività esercitata (vita, danni, riassicurazione):
- Premi Sottoscritti 2011 _____
- Premi Sottoscritti 2012 _____

QUESTIONARIO PER L'AMMINISTRATORE DELEGATO

Q1. Può dirmi, per favore, attraverso quali canali distributivi commercializzate le polizze assicurative?

a) Può descrivermi il processo (o le fasi) attraverso il quale avete implementato il canale online/social media/ mobile?

Q2. Può citare quali sono stati i principali cambiamenti che si sono manifestati nel vostro settore negli ultimi anni?

a) Tecnologici, Legislativi, Preferenze dei consumatori? Altro?

b) In che modo la vostra compagnia riesce ad anticipare o a percepire questi cambiamenti? (raccolta informazioni dalla rete agenziale, analisi di mercato, altro)

Q3. Nella realizzazione di nuovi prodotti vi avvalete anche d'informazioni riguardanti il mercato dove operate, (come per esempio i trend riguardanti le nuove tecnologie o le nuove preferenze dei consumatori?)

a) Vi avvalete di questi dati anche per proporre dei nuovi punti di contatto per i vostri clienti?

Q4. Considerando che la vostra compagnia ha implementato diversi canali per distribuire le polizze assicurative, può descrivermi come questi sono coordinati? (Per esempio avete previsto la possibilità che un cliente chieda delle informazioni sul canale online per poi acquistare in quello offline?)

a) Mi può descrivere come realizzate l'attività promozionale dei vostri prodotti assicurativi nei vari canali?

b) Avete previsto che esistano delle sinergie tra i diversi canali, per esempio in termini di promozione? In altre parole, pubblicizzate i prodotti disponibili sul canale online nel canale offline? La vostra compagnia è in grado di monitorare gli spostamenti dei clienti da un canale ad un altro? Come?

Q5 Avete previsto delle procedure specifiche per raccogliere e analizzare i dati riguardanti i vostri clienti? Se si, può descrivermi sinteticamente come avviene questo processo?

a) Gli agenti hanno accesso ai dati raccolti sul canale online? Attraverso quali modalità?

(per. Esempio applicazioni mobile) alle informazioni riguardanti la loro polizza (scadenze, condizioni contrattuali, pagamenti)?

b) I dati relativi ai nuovi clienti vengono aggiornati automaticamente, in modo tale che siano coerenti tra i vari canali distributivi?

Q6. La vostra strategia distributiva è considerata una potenziale fonte di vantaggio competitivo? Se sì,perchè? La vostra strategia distributiva si differenzia da quella dei vostri concorrenti? Se ci sono delle differenze, quali sono le principali?

QUESTIONARIO PER IL MANAGER IT

Q1. Mi potrebbe spiegare quali sono i principali compiti della Direzione IT all'interno della vostra Compagnia di assicurazione?

Q2. La direzione IT ha dei compiti specifici con riferimento all'implementazione dei nuovi canali distributivi? Quali attività svolge?

Q3. Quali sono secondo lei le principali competenze/capacità che devono essere possedute dal personale appartenente alla Direzione IT per una buona gestione di una distribuzione multicanale?

Q4 Avete previsto delle procedure specifiche per raccogliere e analizzare i dati riguardanti i vostri clienti? Se si, può descrivermi sinteticamente come avviene questo processo?

a) Gli agenti hanno accesso ai dati raccolti sul canale online? Attraverso quali modalità? (per. Esempio applicazioni mobile) alle informazioni riguardanti la loro polizza (scadenze, condizioni contrattuali, pagamenti)?

b) I dati relativi ai nuovi clienti vengono aggiornati automaticamente, in modo tale che siano coerenti tra i vari canali distributivi?

QUESTIONARIO PER IL MANAGER COMMERCIALE, MARKETING E COMUNICAZIONE

Q1. Può dirmi, per favore, attraverso quali canali distributivi commercializzate le polizze assicurative?

a) Può descrivermi il processo (o le fasi) attraverso il quale avete implementato il canale online/social media/ mobile?

Q2. Può citare quali sono stati i principali cambiamenti che si sono manifestati nel vostro settore negli ultimi anni?

a) Tecnologici, Legislativi, Preferenze dei consumatori? Altro?

b) In che modo la vostra compagnia riesce ad anticipare o a percepire questi cambiamenti? (raccolta informazioni dalla rete agenziale, analisi di mercato, altro)

Q3. Nella realizzazione di nuovi prodotti vi avvalete anche d'informazioni riguardanti il mercato dove operate, (come per esempio i trend riguardanti le nuove tecnologie o le nuove preferenze dei consumatori?)

a) Vi avvalete di questi dati anche per proporre dei nuovi punti di contatto per i vostri clienti?

Q4. Considerando che la vostra compagnia ha implementato diversi canali per distribuire le polizze assicurative, può descrivermi come questi sono coordinati? (Per esempio avete previsto la possibilità che un cliente chieda delle informazioni sul canale online per poi acquistare in quello offline?)

a) Mi può descrivere come realizzate l'attività promozionale dei vostri prodotti assicurativi nei vari canali?

b) Avete previsto che esistano delle sinergie tra i diversi canali, per esempio in termini di promozione? In altre parole, pubblicizzate i prodotti disponibili sul canale online nel canale offline? La vostra compagnia è in grado di monitorare gli spostamenti dei clienti da un canale ad un altro? Come?

Appendix B- Content Validity Report

To assess the content validity I conducted two different tests.

The first step was conducted using the procedure detailed by Zaichkowsky (1985). I asked to a panel of four experts (two faculty peers and two experts on the empirical domain) to review a pool of items in order to confirm or validate the definition of the phenomenon.
I provided to expert panel the definition of the construct and the pool of items and then asked to rate each item. I invited them to evaluate the degree to which items are representative of a construct's conceptual definition rating each item as "clearly representative", "somewhat representative" or ''not representative" of the construct of interest. In addition, experts evaluated the clarity and conciseness of each of them. They can point out ways of covering the phenomenon that researchers have failed to include.

The second step was conducted using a similar procedure that proposed by Mackenzie, Podsakoff, and Fetter (1991). I wrote a randomize list of questionnaire items and I distributed it to four PhD students who were asked to classify the randomly ordered scales into one of six constructs (sensing capability, seizing capability, data integrating capability, competitive advantage, IT capabilities and environmental turbulence). Each judge was provided with a detailed definition of each construct.

1. Results from content validity

Constructs	Initial Items	Final Items
Sensing	1. Firm frequently scans the environment to identify new business opportunities. 2. Firm spends considerable time reading trade publications and magazines 3. Firms are quick to discuss changes in our customers' product preferences. 4. Firm periodically reviews the likely effect of changes in their business environment on customers. 5. Firm often reviews their service development efforts to ensure they are in line with what the customers want. 6. Firm effectively gathers feedback from our insurance agent. 7. Firm frequently scans the environment to identify new technologies available. 8. Firm is slow to detect fundamental shift in their industry.	1. Firm frequently scans the environment to identify new business opportunities. 2. Firm periodically reviews the likely effect of changes in their business environment on customers. 3. Firm often reviews their service development efforts to ensure they are in line with what customers want. 4. Firm effectively gathers feedback from its partners (i.e. agents). 5. Firm frequently scans the environment to identify newly available technologies. 6. Firm does not scan the environment to identify new business opportunities.

Seizing	9. Firm is effective in implementing new product/service ideas. 10. Firm devotes a lot of time implementing ideas for new products and improving our existing products. 11. Firm is quick to respond to significant changes in our competitors' pricing structures 12. Firm has 'designed' and when it was necessary 'redesigned' the revenue and cost structure of their business to meet customer needs 13. Firm has decided the way in which technologies are to be assembled. 14. For various reasons, we tend to ignore changes in our customers product/service needsWe have the ability to provide new ways of performing transactions.We have the ability to reallocate resources quickly in response to changes in market conditions 15. Several departments get together periodically to plan a response to changes taking place in our business environment	7. Our firm is effective in implementing new product/service ideas. 8. Our firm devotes a lot of time implementing ideas for new products/services and improving their existing products/services. 9. Our firm tend to ignore changes in their customers' product/service needs when implementing a new product/service. 10. We have the ability to provide new ways of performing transactions (i.e. get a quote online and offline; payments through POS devices, credit card payments and bank transfers). 11. Several departments get together periodically to plan a response to changes taking place in our business environment
Coordinating	16. We ensure an appropriate allocation of resources (e.g., information, time, technologies, ect.) within different online and offline channels. 17. We assign people to tasks commensurate with their task-relevant knowledge and skills. 18. We are able to coordinate marketing and promotion activities across channels (i.e advertising and publicity of one channel consistent across other channels). 19. Multichannel distribution is overall consistent. 20. The firm's brand name, slogan and logo are consistent both	12. We ensure an appropriate allocation of resources (e.g., information, time, technologies, ect.) within different online and offline channels. 13. We assign people to tasks commensurate with their task-relevant knowledge and skills. 14. We are able to coordinate marketing and promotion activities across channels (i.e advertising and publicity of one channel consistent across other channels). 15. Multichannel distribution is overall consistent. 16. The firm's brand name, slogan and logo are consistent both online and offline. 17. The online channel highlights

	online and offline. 21. The online channel highlights in-store promotions that are taking place in the physical store. 22. The firm allows customers to obtain from physical store additional information on the quotation of the product/service obtained online. 23. The firm allows customers to make payment for their online purchases in the physical store	in-store promotions that are taking place in the physical store. 18. The firm allows customers to obtain from physical store additional information on the quotation of the product/service obtained online. 19. The firm allows customers to make payment for their online purchases in the physical store
Data Integrating	24. Data captured in one part of our firm are immediately available to everyone in the firm 25. We have set procedures for collecting customer information from online and offline channels. 26. Our firm is skilled at collecting and analyzing market information about our customers via computer-based systems. 27. Firm allows customers to access their prior integrated purchase history 28. Firm make future purchase recommendations to customers based on past online and offline purchases 29. Firm stores customer data to facilitate future transactions. 30. Customer data are updated in other channels when a customer revises its information in one channel. 31. Firm does not integrate customer data across channels.	20. Data captured in one department are immediately available to everyone in the firm. 21. We have set procedures for collecting customer information from online and offline channels. 22. Our firm is skilled at collecting and analyzing *market information about our customers* via computer-based systems. 23. Firm allows customers to access their prior integrated purchase history 24. Customer data are updated in other channels when a customer modifies his information in one channel. 25. Firm stores customer data to facilitate future transactions.
IT Capabilities	32. We can successfully reconfigure our IT resources to come up to with new productive assets. 33. The IT unit provides a wide range of channel management services (electronic channel to the customer or partner to	26. The IT unit provides a wide range of channel management services (electronic channel to the customer or partner to support multiple applications, such as point of sale, Web sites, call centers, mobile computing). 27. The IT unit provides a wide range of communication

	support multiple applications, such as point of sale, Web sites, call centers, mobile computing). 34. IT unit provides a wide range of communication services (network services, broadband services, Intranet capabilities, Extranet capabilities, groupware). 35. The IT unit provides a wide range of data management services (centralized data warehouse, data management consultancy, knowledge management). 36. The IT unit provides a wide range of IT management services (IS planning, investment and monitoring, IS project management, negotiations with suppliers and outsourcers) 37. The IT unit provides a wide range of IT research and development (R&D) services (identify and test new technologies for business purposes, evaluate proposals for new IS applications) 38. The IT personnel are knowledgeable about the key success factors that must go right if the company is to succeed. 39. The IT personnel are encouraged to learn new information technologies. 40. The IT personnel closely follow the trends in current information technologies. 41. The IT personnel understand the company's policies and plans. 42. The IT personnel are able to interpret business problems and develop appropriate technical solutions. 43. The IT personnel are knowledgeable about business functions.	services (network services, broadband services, Intranet capabilities, Extranet capabilities, groupware). 28. The IT unit provides a wide range of data management services (centralized data warehouse, data management consultancy, knowledge management). 29. The IT unit provides a wide range of IT management services (IS planning, investment and monitoring, IS project management, negotiations with suppliers and outsourcers). 30. The IT unit provides a wide range of IT research and development (R&D) services (identify and test new technologies for business purposes, evaluate proposals for new IS applications). 31. The IT personnel closely follow the trends in current information technologies. 32. The IT personnel understand the company's policies and plans. 33. The IT personnel are able to interpret business problems and develop appropriate technical solutions.

	44. Digital Data Generation is successfully integrated into our Sales process. 45. Our Sales personnel effectively handle the digital data that they obtain. 46. Our Sales personnel have effective methods for managing the Digital Data that they obtain.	
Environmental Turbulence	47. The technologies in this service area are changing rapidly. 48. Technological breakthroughs provide big opportunities in this product area. 49. In our kind of business, customers' preferences change a lot over time. 50. Marketing practices in our area are constantly changing. 51. New service introductions are very frequent in this market. 52. The environment in our area is continuously changing. 53. Environmental changes in our industry are very difficult to forecast.	34. The technology in this field is changing rapidly. 35. Technological breakthroughs offer big opportunities in this product area. 36. In our kind of business, customers' preferences change a lot over time. 37. Marketing practices in our area are constantly changing. 38. New product introductions are very frequent in our market. 39. The environment in our area is continuously changing. 40. Environmental changes in our industry are very difficult to forecast. 41. Legislation and Regulations in our industry are constantly changing.
Competitive Advantage	54. Over the past 3 years, our financial performance has been outstanding 55. Over the past 3 years, our financial performance has exceeded our competitors' 56. Over the past 3 years, our sales growth has been outstanding 57. Over the past 3 years, we have been more profitable than our competitors' 58. Over the past 3 years, our sales growth has exceeded our competitors'.	42. Over the past 3 years, our financial performance has been outstanding 43. Over the past 3 years, our financial performance has exceeded our competitors' 44. Over the past 3 years, our sales growth has been outstanding 45. Over the past 3 years, we have been more profitable than our competitors' 46. Over the past 3 years, our sales growth has exceeded our competitors'.

Appendix C- Survey

Multichannel Strategies in The Insurance Sector

Welcome

Thank you for agreeing to take part in this research, coordinated by Prof. Francesca Cabiddu (University of Cagliari), in cooperation with the Grenoble Ecole de Management, relating to the study of multi-channel management strategies in the insurance market.

We ask you to carefully fill out the following questionnaire that will give us information about the processes of distribution of products / services offered by your company.

The questionnaire consists of a list of statements (items), semantically related to the size that we want to investigate. The questions are measured on a 5-point Likert scale ranging from "strongly agree" to "strongly disagree." The questionnaire consists of 7 sections and it will take between 15 and 20 minutes to complete.

All information collected will remain confidential and will be processed in anonymous form only *for the purpose of this research* study. For any information you can contact the head of research: paola.floreddu [at] unica.it

Introduction

1 Insurance Company Name

Please enter the name of your insurance company

2 In what branch does your insurance company operate?

Choose one or more of the following items.

□ Non-Life

□ Life

□ Re-assurance

3 What distribution channels do you use to sell your insurance products?

4 Which position do you fill?

Choose only one of the following items.

- o Chairman
- o Vice President
- o CEO
- o General manager
- o Deputy General Manager
- o Marketing Manager
- o Sales Director
- o Sales Manager
- o Communication Manager
- o IT Manager

5 How many employees are there in your Company?

- o 1
- o 2 to 9
- o 10 to 49
- o 50 to 199
- o 200 to 499
- o 500 to 1999
- o 2 000 and more
- o Not Sure.

SECTION 1

Please evaluate your degree of agreement on the following items (scale goes from "strongly disagree" to "strongly agree") by crossing the appropriate box

1) Firm frequently scans the environment to identify new business opportunities.
2) Firm periodically reviews the likely effect of changes in their business environment on customers.
3) Firm often reviews their service development efforts to ensure they are in line with what customers want.

4) Firm effectively gathers feedback from its partners (i.e. agents).

5) Firm frequently scans the environment to identify newly available technologies.

6) Firm does not scan the environment to identify new business opportunities.

SECTION 2

Please evaluate your degree of agreement on the following items (scale goes from "strongly disagree" to "strongly agree") by crossing the appropriate box

1) Our firm is effective in implementing new product/service ideas.

2) Our firm devotes a lot of time implementing ideas for new products/services and improving their existing products/services.

3) Our firm tends to ignore changes in their customers' product/service needs when implementing a new product/service.

4) We have the ability to provide new ways of performing transactions (i.e. get a quote online and offline; payments through POS devices, credit card payments and bank transfers).

5) Several departments get together periodically to plan a response to changes taking place in our business environment

SECTION 3

Please evaluate your degree of agreement on the following items (scale goes from "strongly disagree" to "strongly agree") by crossing the appropriate box

1) We ensure an appropriate allocation of resources (e.g., information, time, technologies, ect.) within different online and offline channels.

2) We assign people to tasks commensurate with their task-relevant knowledge and skills.

3) We are able to coordinate marketing and promotion activities across channels (i.e advertising and publicity of one channel consistent across other channels).

4) Multichannel distribution is overall consistent.

5) The firm’s brand name, slogan and logo are consistent both online and offline.

6) The online channel highlights in-store promotions that are taking place in the physical store.

7) The firm allows customers to obtain from physical store additional information on

the quotation of the product/service obtained online.

8) The firm allows customers to make payment for their online purchases in the physical store

SECTION 4

Please evaluate your degree of agreement on the following items (scale goes from "strongly disagree" to " strongly agree") by crossing the appropriate box

1) Data captured in one department are immediately available to everyone in the firm.

2) We have set procedures for collecting customer information from online and offline channels.

3) Our firm is skilled at collecting and analyzing *market information about our customers* via computer-based systems.

4) Firm allows customers to access their prior integrated purchase history

5) Customer data are updated in other channels when a customer modifies his information in one channel.

6) Firm stores customer data to facilitate future transactions.

7) Firm make future purchase recommendations to customers based on past online and offline purchases

8) Firm does not integrate customer data across channels.

9) Digital Data Generation is successfully integrated into our Sales process.

10) Our Sales personnel effectively handle the digital data they obtain.

SECTION 5

Please evaluate your degree of agreement on the following items (scale goes from "strongly disagree" to "strongly agree") by crossing the appropriate box.

1) The technology in this field is changing rapidly.

2) Technological breakthroughs offer big opportunities in this product area.

3) In our kind of business, customers' preferences change a lot over time.

4) Marketing practices in our area are constantly changing.

5) New product introductions are very frequent in our market.

6) The environment in our area is continuously changing.

7) Environmental changes in our industry are very difficult to forecast.

8) Legislation and Regulations in our industry are constantly changing.

SECTION 6

Please evaluate your degree of agreement on the following items (scale goes from "strongly disagree" to "strongly agree") by crossing the appropriate box

1. The IT unit provides a wide range of channel management services (electronic channel to the customer or partner to support multiple applications, such as point of sale, Web sites, call centers, mobile computing).

2. The IT unit provides a wide range of communication services (network services, broadband services, Intranet capabilities, Extranet capabilities, groupware).

3. The IT unit provides a wide range of data management services (centralized data warehouse, data management consultancy, knowledge management).

4. The IT unit provides a wide range of IT management services (IS planning, investment and monitoring, IS project management, negotiations with suppliers and outsourcers).

5. The IT unit provides a wide range of IT research and development (R&D) services (identify and test new technologies for business purposes, evaluate proposals for new IS applications).

6. The IT personnel closely follow the trends in current information technologies.

7. The IT personnel understand the company's policies and plans.

8. The IT personnel are able to interpret business problems and develop appropriate technical solutions.

SECTION 7

Please evaluate your degree of agreement on the following items (scale goes from "strongly disagree" to "strongly agree") by crossing the appropriate box

1. Over the past 3 years, our financial performance has been outstanding

2. Over the past 3 years, our financial performance has exceeded our competitors’

3. Over the past 3 years, our sales growth has been outstanding

4. Over the past 3 years, we have been more profitable than our competitors

5. Over the past 3 years, our sales growth has exceeded our competitors’.

Thank you for taking the time to complete this *survey*.

All information collected will remain confidential and will be processed in anonymous form only *for the purpose of this research* study. For any information you can contact the head of research: paola.floreddu [at] unica.it

Appendix D

Table A1-Time ordered matrix

2011			2012			2013		
Role	Quotation	Timing	Role	Quotation	Timing	Role	Quotation	Timing
Customer	Hello, since last Friday I've tried to contact you either by phone and email to report damage to my car (a nice line on the side and several bruises on the body), but nothing. Telephone lines are always too busy, and they do not respond to my specific complaint on my personal area on the site web...You have ignored two emails ... this is not a "good service"!	20/10/2011 h.16:00	Customer	Hello, On 23/11/2012 I sent an email asking the claims office to answer quickly, but I have not yet received any response. I ask that you contact me urgently. I am sending my cell number, with private SMS. Thank you	28/11/2012 10:48	Customer	I wanted to thank your employee (10.13 today), who I asked for help with the finalization of a new insurance policy. He invited me to call only after reading all the steps described on the files that were sent. At my second request for your kind support, the employee hung up the phone on me.You are very kind. I hope the phone calls are recorded so you have a laugh (this is the quote number 546 096 612)	23/09/2013 10:26
Company	Hello Mattia, the office claims will contact you.	20/10/2011 h.16:30	Company	Hello Giuseppe, we have forwarded your post to the office in charge. Thank you.	28/11/2012 10:56	Company	Paolo, we are very sorry. This is certainly not the standard of our service! If we explain here what you need, we will be happy to answer you.	23/09/2013 10:46

Customer	After only 30 minutes after the publication of my "complaint" on this board, I was contacted by a lady who quickly opened the dossier in a very nice and professional way .Thank you! If I need to re-contact the claims office I will make my request directly here.	21/10/2011 h. 15:00		Unfortunately I have not been contacted by anyone ... who is kind enough to contact me! THANK YOU	30/11/2012 15:59	Customer	Fortunately I could solve my problem, and I appreciate that, unlike other companies, you did not delete my post, or even ban my profile from your page. Thanks for the prompt reply.	23/09/2013 11:02
Company	Thank you for your positive feedback. Have a good day.	24/10/2011 h. 11:40		Hello Giuseppe, we forward the request again office. Thank you.	30/11/2012 16:34:46	Company	Thank you very much. If you need any assistance in future, you'll write on this board, we are at your disposal :)	23/09/2013 12:06
				Thank you ... you were quick, I was contacted after 10 minutes. : -)	30/11/2012 18:52		Hello, thank you for your positive feedback. When you need us, we are here. Have a nice day.	

Appendix E

Table 1- Levels of Maturity Allianz

Levels of maturity Value Proposition	**Behaviors**	**AT**	**BU**	**CH**	**CZ**	**HR**	**FR**	**DE**	**IE**	**IT**	**PT**	**PL**	**RO**	**SP**	**SK**
Level 2	Companies provide the name and the description of each service.	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Services offered are subdivided into categories (Life, Health, non-Life).	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Companies display information about services price.	0	0	0	0	1	0	0	0	0	0	0	0	0	0
	Website provides tools to compare prices of different services.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Website highlight information about purchase policies	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Customer can download documents about policies warranties.	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Website display a FAQ section about services offered.	1	1	0	0	1	1	1	0	0	0	0	1	1	0
	Website highlight a what's new section about products and services	1	1	1	1	1	0	1	1	0	1	1	1	1	1
	Total	**6**	**6**	**5**	**5**	**7**	**5**	**6**	**5**	**4**	**5**	**5**	**6**	**6**	**5**
Level 3	Customers can receive e-mail about new policies	0	0	0	0	0	0	0	0	0	0	0	1	0	0
	Website exhibit the e-mail	1	0	1	1	1	0	1	1	0	1	1	1	1	1

	based support														
	Website allows customer to rate service offered.	0	0	0	0	0	1	0	0	0	1	1	0	0	0
	Total	**1**	**0**	**1**	**1**	**1**	**1**	**1**	**1**	**0**	**2**	**2**	**2**	**1**	**1**
Level 4	Website has a section dedicated to customers testimonials	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Website has a section dedicated to expert comments about service offered.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Customer can directly ask question on products and service through online chat room or discussion forum	0	0	0	0	1	0	0	0	0	0	0	0	0	0
	Website allows customers to comment service offered.	0	0	0	0	0	1	0	0	0	0	0	0	0	0
	Website has a section in which customers can provide input and reviews	0	0	1	1	1	1	0	1	0	0	0	0	0	0
	Total	**0**	**0**	**1**	**1**	**2**	**2**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**
Levels of maturity Distribution Channel	**Behaviors**														
Level 2	Website allows customers to find an agency through the ZIP Code.														
	Website display the list of all agency														
	Website has a section dedicated to the agencies														
	Section in which customers can make an appointment at the agency														
	Agents Contacts														

	Capability to contact an agency														
	Capability to contact an agent to obtain additional information through directly the website														
	Customer can get a quote directly on the website														
	Total														
Level 3	Capability to obtain information about an online policy through the account access														
	Modify the offline policy information through the account access														
	Capability to obtain information about an offline policy through the account access														
	Modify the offline policy information through the account access														
	Multimedia demonstrations of Buying Process														
	Total														
Level 4	Website has a security section describing safe transaction.														
	Company provide an Online Payment Section														
	Company is able to propose different methods of payment														
	Website Information about														

	online payment methods														
	Support information about online purchasing														
	Total														
Levels of maturity Relationship	**Behaviors**														
Level 2	Contact Information of the customer service														
	Help Section														
	Faq Section														
	Total														
Level 3	Online account access for the online policy to gain access to personalized accounts or private messages.														
	Online account access for the offline policy to gain access to personalized accounts or private messages.														
Total															
Level 4	Personal Digital Assistant														
	Total														

Table 2- Levels of Maturity Aviva

Levels of maturity Value Proposition	**Behaviors**	**IE**	**IT**	**PL**	**SP**	**UK**
Level 2	Companies provide the name and the description of each service.	1	1	1	1	1
	Services offered are subdivided into categories (Life, Health, non-Life).	1	1	1	1	1
	Companies display information about services price.	0	0	0	0	1
	Website provides tools to compare prices of different services.	0	0	0	0	0
	Website highlight information about purchase policies	1	0	1	1	1
	Customer can download documents about policies warranties.	1	1	1	1	1
	Website display a FAQ section about services offered.	1	0	0	0	1
	Website highlight a what's new section about products and services	1	1	1	1	1
	Total	**6**	**4**	**5**	**5**	**7**
Level 3	Customers can receive e-mail about new policies	0	0	0	0	0
	Website exhibit the e-mail based support	1	0	1	1	1
	Website allows customer to rate service offered.	0	0	0	0	1
	Total	**1**	**0**	**1**	**1**	**2**
Level 4	Website has a section dedicated to customers testimonials	0	0	0	0	0

	Website has a section dedicated to expert comments about service offered.	0	0	0	0	1
	Customer can directly ask question on products and service through online chat room or discussion forum	0	0	0	0	1
	Website allows customers to comment service offered.	0	0	0	0	1
	Website has a section in which customers can provide input and reviews	0	1	0	0	1
	Total	**0**	**1**	**0**	**0**	**4**
Levels of maturity Distribution Channel	**Behaviors**	**IE**	**IT**	**PL**	**SP**	**UK**
Level 2	Website allows customers to find an agency through the ZIP Code.	0	1	1	1	0
	Website display the list of all agency	0	1	1	1	0
	Website has a section dedicated to the agencies	0	1	0	0	0
	Section in which customers can make an appointment at the agency	0	0	0	0	0
	Agents Contacts	0	1	1	1	0
	Capability to contact an agency	0	0	0	0	0
	Capability to contact an agent to obtain additional information through directly the website	0	0	1	1	0
	Customer can get a quote directly on the website	1	1	1	0	1
	Total	**1**	**5**	**5**	**4**	**1**
Level 3	Capability to obtain information about an online policy through the account access	1	0	1	0	1
	Modify the offline policy information through the account access	1	0	1	0	1

	Capability to obtain information about an offline policy through the account access	1	1	1	1	1
	Modify the offline policy information through the account access	1	1	1	1	1
	Multimedia demonstrations of Buying Process	0	0	0	0	0
	Total	**4**	**2**	**4**	**2**	**4**
Level 4	Website has a security section describing safe transaction.	0	0	1	0	1
	Company provide an Online Payment Section	1	0	1	0	1
	Company is able to propose different methods of payment	0	0	1	0	1
	Website Information about online payment methods	0	0	0	0	1
	Support information about online purchasing	0	0	0	0	1
	Total	**1**	**0**	**3**	**0**	**5**
Levels of maturity Relationship	**Behaviors**	**IE**	**IT**	**PL**	**SP**	**UK**
Level 2	Contact Information of the customer service	1	1	1	1	1
	Help Section	1	0	1	1	1
	Faq Section	1	0	0	1	1
	Total	**3**	**1**	**2**	**3**	**3**
Level 3	Online account access for the online policy to gain access to personalized accounts or private messages.	0	0	0	0	1
	Online account access for the offline policy to gain access to personalized accounts or private messages.	0	0	0	0	1
	Total	**0**	**0**	**0**	**0**	**2**

Level 4	Personal Digital Assistant	0	0	1	0	0
	Total	**0**	**0**	**1**	**0**	**0**

Table 3- Level of Maturity AXA

Levels of maturity Value Proposition	**Behaviors**	**BE**	**CH**	**FR**	**IE**	**IT**	**LU**	**PT**	**SP**	**UK**
Level 2	Companies provide the name and the description of each service.	1	1	1	1	1	1	1	1	1
	Services offered are subdivided into categories (Life, Health, non-Life).	1	1	1	1	1	1	1	1	1
	Companies display information about services price.	0	0	0	0	0	0	0	0	0
	Website provides tools to compare prices of different services.	0	0	0	0	0	0	0	0	0
	Website highlight information about purchase policies	1	1	1	1	1	1	1	1	1
	Customer can download documents about policies warranties.	1	1	1	1	1	1	1	1	1
	Website display a FAQ section about services offered.	1	1	1	1	0	1	1	1	1

	Website highlight a what's new section about products and services	0	1	1	0	1	1	1	1	1
	Total	**5**	**6**	**6**	**5**	**5**	**6**	**6**	**6**	**6**
Level 3	Customers can receive e-mail about new policies	0	0	0	0	0	0	0	0	0
	Website exhibit the e-mail based support	0	1	0	1	1	1	1	1	1
	Website allows customer to rate service offered.	0	0	0	0	0	0	0	0	0
	Total	**0**	**1**	**0**	**1**	**1**	**1**	**1**	**1**	**1**
Level 4	Website has a section dedicated to customers testimonials	0	0	0	0	0	0	0	0	0
	Website has a section dedicated to expert comments about service offered.	0	0	1	0	0	0	0	0	0
	Customer can directly ask question on products and service through online chat room or discussion forum	0	0	0	0	0	0	0	0	0
	Website allows customers to comment service offered.	0	0	0	0	0	0	0	0	0
	Website has a section in which customers can provide input and reviews	0	1	0	0	0	0	0	0	0
	Total	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**
Levels of maturity Distribution Channel	**Behaviors**	**BE**	**CH**	**FR**	**IE**	**IT**	**LU**	**PT**	**SP**	**UK**

Level 2	Website allows customers to find an agency through the ZIP Code.	1	1	1	1	1	1	1	1	1
	Website display the list of all agency	1	1	1	1	1	1	1	1	1
	Website has a section dedicated to the agencies	1	0	1	0	1	0	0	1	1
	Section in which customers can make an appointment at the agency	1	1	1	1	1	1	1	1	0
	Agents Contacts	0	0	0	0	0	0	0	0	0
	Capability to contact an agency	1	1	1	1	1	1	1	1	0
	Capability to contact an agent to obtain additional information through directly the website	0	0	0	0	0	0	0	0	0
	Customer can get a quote directly on the website	0	0	1	0	1	0	0	1	0
	Total	**5**	**4**	**6**	**4**	**6**	**4**	**4**	**6**	**3**
Level 3	Capability to obtain information about an online policy through the account access	0	0	0	0	0	0	0	0	0
	Modify the offline policy information through the account access	1	1	1	1	1	1	1	1	0
	Capability to obtain information about an offline policy through the account access	1	1	1	1	1	1	1	1	0
	Modify the offline policy information through the account access	0	0	1	1	0	0	0	1	1
	Multimedia demonstrations of Buying Process	0	1	1	1	0	0	0	1	0
	Total	**2**	**3**	**4**	**4**	**2**	**2**	**2**	**4**	**1**

Level 4	Website has a security section describing safe transaction.	0	0	1	0	0	0	0	0	0
	Company provide an Online Payment Section	1	0	1	0	0	0	0	0	0
	Company is able to propose different methods of payment	1	1	1	1	1	0	1	1	1
	Website Information about online payment methods	0	0	1	0	0	0	0	0	0
	Support information about online purchasing	0	0	1	0	0	0	0	0	0
	Total	**2**	**1**	**5**	**1**	**1**	**0**	**1**	**1**	**1**
Levels of maturity Relationship	**Behaviors**	**BE**	**CH**	**FR**	**IE**	**IT**	**LU**	**PT**	**SP**	**UK**
Level 2	Contact Information of the customer service	1	1	1	1	0	1	1	1	1
	Help Section	0	0	1	1	0	1	1	1	0
	Faq Section	0	0	1	1	0	0	0	1	1
	Total	**1**	**1**	**3**	**3**	**0**	**2**	**2**	**3**	**2**
Level 3	Online account access for the online policy to gain access to personalized accounts or private messages.	0	1	1	1	0	1	1	1	1
	Online account access for the offline policy to gain access to personalized accounts or private messages.	0	0	1	0	0	0	1	0	0
	Total	**0**	**1**	**2**	**1**	**0**	**1**	**2**	**1**	**1**
Level 4	Personal Digital Assistant	0	0	1	1	0	1	1	1	0
	Total	**0**	**0**	**1**	**1**	**0**	**1**	**1**	**1**	**0**

Table 5- Level of Maturity Ergo

Levels of maturity Value Proposition	**Behaviors**	**AT**	**EE**	**DE**	**PL**
Level 2	Companies provide the name and the description of each service.	1	1	1	1
	Services offered are subdivided into categories (Life, Health, non-Life).	1	1	1	1
	Companies display information about services price.	0	0	0	0
	Website provides tools to compare prices of different services.	0	0	0	0
	Website highlight information about purchase policies	1	1	1	1
	Customer can download documents about policies warranties.	1	1	1	1
	Website display a FAQ section about services offered.	0	0	1	1
	Website highlight a what's new section about products and services	0	1	1	1
	Total	**4**	**5**	**6**	**6**
Level 3	Customers can receive e-mail about new policies	0	0	0	0
	Website exhibit the e-mail based support	1	1	1	1
	Website allows customer to rate service offered.	0	0	1	0
	Total	**1**	**1**	**2**	**1**
Level 4	Website has a section dedicated to customers testimonials	0	0	0	0

	Website has a section dedicated to expert comments about service offered.	0	0	0	0
	Customer can directly ask question on products and service through online chat room or discussion forum	0	0	0	0
	Website allows customers to comment service offered.	0	0	0	0
	Website has a section in which customers can provide input and reviews	0	0	0	0
	Total	0	0	0	0
Levels of maturity Distribution Channel	**Behaviors**	**AT**	**EE**	**DE**	**PL**
Level 2	Website allows customers to find an agency through the ZIP Code.	1	1	1	1
	Website display the list of all agency	1	1	1	1
	Website has a section dedicated to the agencies	1	1	1	1
	Section in which customers can make an appointment at the agency	0	0	1	1
	Agents Contacts	0	0	0	0
	Capability to contact an agency	1	0	1	1
	Capability to contact an agent to obtain additional information through directly the website	0	0	0	0
	Customer can get a quote directly on the website	0	0	1	0
	Total	**4**	**3**	**6**	**5**
Level 3	Capability to obtain information about an online policy through the account access	0	0	0	0
	Modify the offline policy information through the account access	1	0	1	1

	Capability to obtain information about an offline policy through the account access	1	0	1	1
	Modify the offline policy information through the account access	0	1	0	0
	Multimedia demonstrations of Buying Process	0	1	0	0
	Total	**2**	**2**	**2**	**2**
Level 4	Website has a security section describing safe transaction.	0	0	0	1
	Company provide an Online Payment Section	0	0	1	1
	Company is able to propose different methods of payment	0	1	1	1
	Website Information about online payment methods	0	0	0	0
	Support information about online purchasing	0	1	0	0
	Total	**0**	**2**	**2**	**3**
Levels of maturity Relationship	**Behaviors**	**AT**	**EE**	**DE**	**PL**
Level 2	Contact Information of the customer service	0	0	1	0
	Help Section	0	1	1	1
	Faq Section	0	1	0	0
	Total	**0**	**2**	**2**	**1**
Level 3	Online account access for the online policy to gain access to personalized accounts or private messages.	1	0	0	1
	Online account access for the offline policy to gain access to personalized accounts or private messages.	0	0	0	0
	Total	**1**	**0**	**0**	**1**

Level 4	Personal Digital Assistant	0	1	1	1
	Total	**0**	**1**	**1**	**1**

Table 5- Levels of Maturity Generali

Levels of maturity Value Proposition	**Behaviors**	**AT**	**CZ**	**DE**	**FR**	**IT**	**RO**	**SK**
Level 2	Companies provide the name and the description of each service.	1	1	1	1	1	1	1
	Services offered are subdivided into categories (Life, Health, non-Life).	1	1	1	1	1	1	1
	Companies display information about services price.	0	0	0	0	0	0	0
	Website provides tools to compare prices of different services.	0	0	0	0	0	0	0
	Website highlight information about purchase policies	1	1	1	1	1	1	1
	Customer can download documents about policies warranties.	1	1	1	1	0	1	1
	Website display a FAQ section about services offered.	1	0	1	1	1	0	1
	Website highlight a what's new section about products and services	1	1	1	1	1	1	1
	Total	**6**	**5**	**6**	**6**	**5**	**5**	**6**
Level 3	Customers can receive e-mail about new policies	0	0	0	0	0	1	0
	Website exhibit the e-mail based support	0	1	1	1	1	1	1
	Website allows customer to rate service offered.	0	0	0	0	0	0	0
	Total	**0**	**1**	**1**	**1**	**1**	**2**	**1**
Level 4	Website has a section dedicated to customers testimonials	0	0	0	0	0	0	0

	Website has a section dedicated to expert comments about service offered.	0	0	0	0	0	0	0
	Customer can directly ask question on products and service through online chat room or discussion forum	0	0	0	0	0	0	0
	Website allows customers to comment service offered.	0	0	0	0	0	0	0
	Website has a section in which customers can provide input and reviews	0	0	0	0	0	0	0
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Levels of maturity Distribution Channel	**Behaviors**	**AT**	**CZ**	**DE**	**FR**	**IT**	**RO**	**SK**
Level 2	Website allows customers to find an agency through the ZIP Code.	1	1	1	1	1	1	1
	Website display the list of all agency	1	1	1	1	1	1	1
	Website has a section dedicated to the agencies	0	0	1	1	1	0	0
	Section in which customers can make an appointment at the agency	0	1	0	1	1	0	0
	Agents Contacts	0	0	1	1	1	0	1
	Capability to contact an agency	1	1	1	1	1	0	0
	Capability to contact an agent to obtain additional information through directly the website	0	1	0	1	1	0	1
	Customer can get a quote directly on the website	0	1	1	1	1	1	1
	Total	**3**	**6**	**6**	**8**	**8**	**3**	**5**
Level 3	Capability to obtain information about an online policy through the account access	0	0	0	0	1	0	1

	Modify the offline policy information through the account access	0	0	0	0	1	0	1
	Capability to obtain information about an offline policy through the account access	0	0	1	1	1	0	1
	Modify the offline policy information through the account access	0	0	1	1	1	0	1
	Multimedia demonstrations of Buying Process	0	0	0	0	0	0	0
	Total	**0**	**0**	**2**	**2**	**4**	**0**	**4**
Level 4	Website has a security section describing safe transaction.	0	0	0	0	0	0	0
	Company provide an Online Payment Section	0	1	0	0	0	0	1
	Company is able to propose different methods of payment	0	1	0	0	0	0	0
	Website Information about online payment methods	0	0	0	0	0	0	0
	Support information about online purchasing	0	0	0	0	0	0	0
	Total	**0**	**2**	**0**	**0**	**0**	**0**	**1**
Levels of Maturity Relationship	**Behaviors**	**AT**	**CZ**	**DE**	**FR**	**IT**	**RO**	**SK**
Level 2	Contact Information of the customer service	1	1	1	1	1	0	1
	Help Section	1	1	1	1	0	1	1
	Faq Section	1	0	1	1	1	0	1
	Total	**3**	**2**	**3**	**3**	**2**	**1**	**3**
Level 3	Online account access for the online policy to gain access to personalized accounts or private messages.	0	0	0	0	1	0	0

	Online account access for the offline policy to gain access to personalized accounts or private messages.	0	0	0	1	1	0	0
	Total	**0**	**0**	**0**	**1**	**2**	**0**	**0**
Level 4	Personal Digital Assistant	0	0	0	1	1	0	0
	Total	**0**	**0**	**0**	**1**	**1**	**0**	**0**

Table 6- Level of Maturity Zurich

Levels of maturity Value Proposition	**Behaviors**	**CH**	**IE**	**IT**	**SP**	**UK**
Level 1 Informational	Companies provide the name and the description of each service.	1	1	1	1	1
	Services offered are subdivided into categories (Life, Health, non-Life).	1	1	1	1	1
	Companies display information about services price.	0	0	0	0	1
	Website provides tools to compare prices of different services.	0	0	0	0	0
	Website highlight information about purchase policies	1	1	1	1	1
	Customer can download documents about policies warranties.	1	1	1	1	1
	Website display a FAQ section about services offered.	1	1	0	1	0
	Website highlight a what's new section about products and services	1	1	1	1	1
	Total	**6**	**6**	**5**	**6**	**6**
Level 2 Medium-Interaction	Customers can receive e-mail about new	0	0	0	0	0

	policies					
	Website exhibit the e-mail based support	1	1	1	1	1
	Website allows customer to rate service offered.	0	0	0	0	0
	Total	**1**	**1**	**1**	**1**	**1**
Level 3 Interacting	Website has a section dedicated to customers testimonials	0	0	0	0	0
	Website has a section dedicated to expert comments about service offered.	0	0	0	0	0
	Customer can directly ask question on products and service through online chat room or discussion forum	0	0	0	0	0
	Website allows customers to comment service offered.	0	0	0	0	0
	Website has a section in which customers can provide input and reviews	0	0	0	0	0
	Total	**0**	**0**	**0**	**0**	**0**
Levels of maturity Distribution Channel	**Behaviors**	**CH**	**IE**	**IT**	**SP**	**UK**
Level 2	Website allows customers to find an agency through the ZIP Code.	**1**	**1**	**1**	**1**	**1**
	Website display the list of all agency	**1**	**1**	**1**	**1**	**1**
	Website has a section dedicated to the agencies	**1**	**0**	**1**	**0**	**1**
	Section in which customers can make an appointment at the agency	**1**	**0**	**1**	**1**	**1**
	Agents Contacts	**0**	**0**	**0**	**0**	**0**
	Capability to contact an agency	**1**	**0**	**1**	**1**	**1**
	Capability to contact an agent to obtain additional information through directly the	**0**	**1**	**0**	**1**	**0**

	website					
	Customer can get a quote directly on the website	**1**	**0**	**1**	**0**	**0**
	Total	**6**	**3**	**6**	**5**	**5**
Level 3	Capability to obtain information about an online policy through the account access	**0**	**0**	**0**	**1**	**0**
	Modify the offline policy information through the account access	**1**	**0**	**1**	**1**	**0**
	Capability to obtain information about an offline policy through the account access	**1**	**0**	**1**	**1**	**0**
	Modify the offline policy information through the account access	**0**	**1**	**0**	**0**	**1**
	Multimedia demonstrations of Buying Process	**0**	**1**	**0**	**1**	**1**
	Total	**2**	**2**	**2**	**4**	**2**
Level 4	Website has a security section describing safe transaction.	**1**	**0**	**1**	**0**	**0**
	Company provide an Online Payment Section	**1**	**0**	**1**	**0**	**0**
	Company is able to propose different methods of payment	**1**	**1**	**1**	**1**	**1**
	Website Information about online payment methods	**0**	**0**	**0**	**0**	**1**
	Support information about online purchasing	**0**	**1**	**0**	**1**	**0**
	Total	**3**	**2**	**3**	**2**	**2**
Levels of maturity Relationship	**Behaviors**	**CH**	**IE**	**IT**	**SP**	**UK**
Level 2	Contact Information of the customer service	1	1	1	1	1
	Help Section	1	1	0	0	0
	Faq Section	0	1	0	0	1
	Total	**2**	**3**	**1**	**1**	**2**

Level 3	Online account access for the online policy to gain access to personalized accounts or private messages.	1	1	1	1	1
	Online account access for the offline policy to gain access to personalized accounts or private messages.	0	0	0	0	0
	Total	**1**	**1**	**1**	**1**	**1**
Level 4	Personal Digital Assistant	1	1	0	0	0
	Total	**1**	**1**	**0**	**0**	**0**

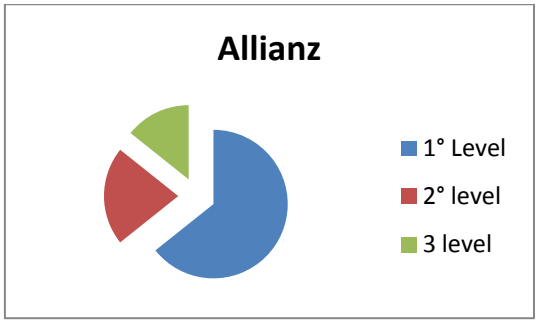
Appendix F: Cases Study

Case Study Allianz

Allianz is a multinational financial company, founded in 1890 in Germany.
It offers a wide range of property, casualty health and life products to both private and corporate customers. According to the annual report, Allianz estimated that 80% of the premiums written are in property and casualty line of business while the remaining 20% is attributable to life and health products.
Allianz operate in more than 70 countries with more than 180 000 employees. The principal markets based on premiums written, are Germany, France, Italy and United States. Most of the insurance markets are served with local Allianz Companies. In Europe, Allianz operate in Germany, Italy, France, Austria, Bulgaria, Czech Republic, Croatia, Ireland, Poland, Portugal, Romania, Spain, Switzerland and Slovakia. In the following sections I deeply analyze each website of each local Allianz insurance company.
In the following section, the results of each dimension are exhibit. Regarding the value proposition dimension, it is immediately noticeable that the majority of companies are positioned on the second level of maturity (See Table 1 and Figure 1).
Companies positioned in the last level (Allianz France and Allianz Croatia) are able to implement website section in which customer can rate, reviews and comment product and service offered. Companies obtain in this way important feedback to improve the value proposition.
Table 1- Allianz Value Proposition results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Allianz AT	6	Allianz PT	7	Allianz FR	1o
Allianz BU	6	Allianz PL	7	Allianz HR	9
Allianz CH	5	Allianz RO	8		
Allianz CZ	5				
Allianz DE	6				
Allianz IE	5				
Allianz IT	4				
Allianz SP	6				
Allianz SK	5				

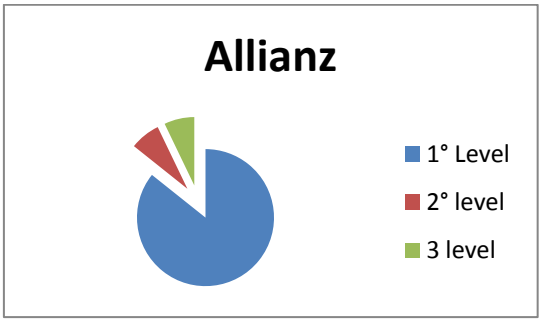
Figure 1- Allianz Value Proposition



As highlighted in Table 2, the majority of companies are positioned on the second level of maturity (see also Figure 1).
Companies positioned in the last level (Allianz Poland and Allianz Croatia) are able to provide a full transaction online, to propose different methods of payment and display support information about online purchasing.
Table 2-Allianz Distribution Channel Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Allianz AT	7	Allianz CH	12	Allianz HR	16
Allianz BU	3	Allianz FR	1o	Allianz PL	17
Allianz IE	1	Allianz DE	1o		
Allianz IT	6	Allianz CZ	8		
Allianz PT	4				
Allianz SP	2				
Allianz RO	6				
Allianz SK	3				

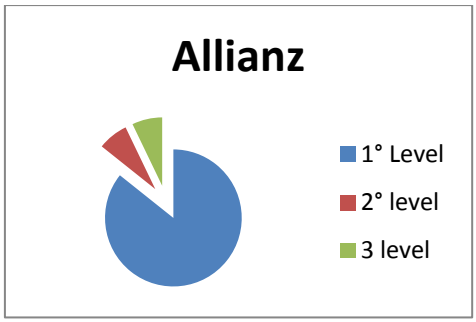
Figure 2- Allianz Distribution Channel



As highlighted in Table 3, the majorities of companies are ranked on the second level of maturity (see also Figure 3). Only one company,
Only Allianz Croatia ranked on the interactive level because it provides to their customer online tools aimed to offer help and services such as a Personal Digital Assistant.
Table 3-Allianz Relationship Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Allianz AT	2	Allianz SK	4	Allianz HR	6
Allianz BU	1				
Allianz CH	3				
Allianz CZ	3				
Allianz FR	1				
Allianz DE	3				
Allianz IE	3				
Allianz IT	1				
Allianz PT	3				
Allianz RO	3				
Allianz SP	3				

Figure 3- Allianz Relationship



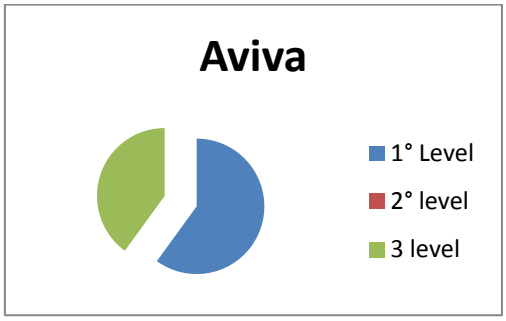
Cross Case Aviva

Aviva plc is a British multinational company headquartered in London. The company was founded in 2000by a merger of two British insurance firms, namely Norwich Union and CGU plc. CGU plc was renamed CGNU plc on completion of the merger, and subsequently in July 2002, the company adopted the "Aviva" name.
Aviva plc operates in more than 11 countries worldwide with more than 31 200 employees. Aviva plc is a leading general insurer in the United Kingdom, Ireland and Canada and it operates also in Italy, Ireland, Poland and Turkey. Aviva plc operates in health branch in the UK, Ireland, Singapore and Indonesia. According to our analysis, I deeply analyzed Aviva plc website in Ireland, Italy, Poland, Spain and UK.
From a first examination of the European website, regarding the Value proposition dimension, Aviva proposes and show detailed product information (See Table 1). Websites analyzed offer an e-mail based support and FAQ (frequently asked question) section. It is important to notice that only in UK, the company set up online tools aimed to enable customers to directly provide feedbacks and reviews on products and service offered by the firm. In particular, on the British website it is possible to comment and rate each product offered; experts offered technical reviews about products offered; customers can communicate directly with the company through online chat rooms.
In the following section, the results of each dimension are exhibit.
Regarding the value proposition dimension, it is immediately noticeable that the majority of companies are positioned on the second level of maturity (See Table 1 and Figure 1).
Aviva UK, the only company at the pro-active level, is able to implement website section in which customer can rate, reviews and comment product and service offered.
Website allows customer to directly ask question on products and service through online chat room or discussion forum.

Table 1- Aviva Value Proposition Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Aviva IE Aviva IT Aviva PL Aviva SP	6 4 5 5			Aviva UK	13

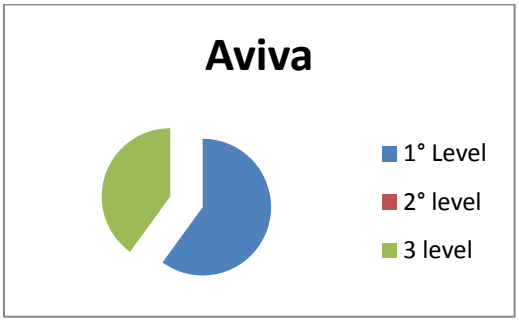
Figure 1-Aviva Distribution Channel



As highlighted in Table 2, the majority companies are positioned on the second level of maturity (see also Figure 1).
Companies positioned in the pro-active level (Aviva UK and Poland) are able to provide a full transaction online, to propose different methods of payment and display support information about online purchasing.
Table 2- Aviva Distribution Channel Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Aviva IE Aviva IT Aviva SP	1 4 4			Aviva UK Aviva PL	10 12

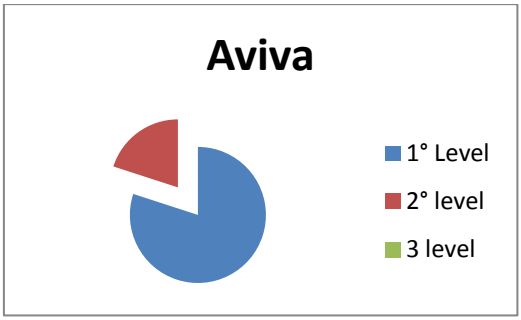
Figure 2- Aviva Distribution Channel



As highlighted in Table 3, the majorities of companies are ranked on the second level of maturity (see also Figure 3).
Aviva UK ranked on the interactive level because it proposes an online account to gain access to personalized accounts or private messages.
Table 3- Aviva Relationship Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Aviva IE Aviva IT Aviva PL Aviva SP	3 1 2 2	Aviva UK	5		

Figure 3- Aviva Relationship



Cross Case AXA

AXA Group is a French insurance group that was founded in 1817 through the merger of several insurance companies, the oldes of which was *« La Compagnie d'Assurance Mutuelle contre l'Incendie dans les départements de la Seine Inférieure et de l'Eure* ». It acquired the «Compagnie Parisienne de Garantie » in 1978 and became « Mutuelles Unies ». In 1985, Mutuelles Unies to promote its image internationally decided to adopt the name AXA.
AXA Group operates in 57 countries worldwide, with more than 160,000 employees. It proposes a wide range of products and services adapted to the needs of each client in three major business lines: property-casualty insurance, life & savings, and asset management.
AXA is the most important European insurance group in term of premium written and the second world's largest insurer in term of assets.
According to our analysis, I deeply analyzed AXA websites in Belgium, Switzerland, France, Ireland, Italy, Luxembourg, Portugal, Spain and UK.

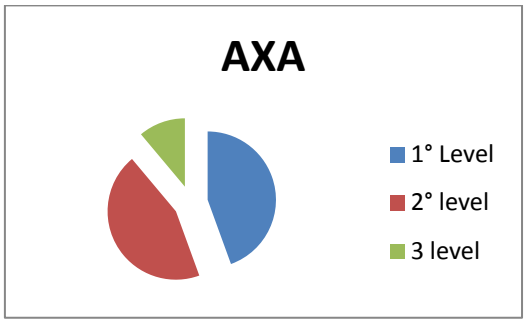
In the following section, the results of each dimension are exhibit.
Regarding the value proposition dimension, it is immediately noticeable that the all the companies in our sample companies are positioned on the second level of maturity (See Table 1 and Figure 1).
Table 1- AXA Value Proposition Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
AXA BE	5				
AXA CH	6				
AXA FR	6				
AXA IE	5				
AXA IT	5				
AXA LU	6				
AXA PT	6				
AXA SP	6				
AXA UK	6				

As highlighted in Table 2, the majority companies are positioned on the second and third level of maturity (see also Figure 1).
Only AXA France is ranked at the last level of maturity. AXA France is able to provide a full transaction online, to propose different methods of payment and display support information about online purchasing.
Table 2- AXA Distribution Channel Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
AXA BE	5	AXA CH	7	AXA FR	13
AXA LU	4	AXA IE	8		
AXA PT	4	AXA IT	8		
AXA UK	3	AXA SP	10		

Figure 2- AXA Distribution Channel



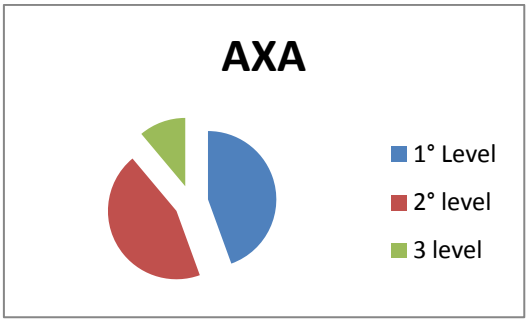
As highlighted in Table 3, the majorities of companies are ranked on the second level of maturity (see also Figure 3).

AXA France and AXA Ireland (see Table 3) provide to their customer online tools aimed to offer help and services such as a Personal Digital Assistant.

Table 3- AXA Relationship Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
AXA BE	1	AXA PT	3	AXA FR	5
AXA CH	1	AXA SP	4	AXA IE	5
AXA IT	0				
AXA LU	2				
AXA UK	3				

Figure 2- AXA Relationship



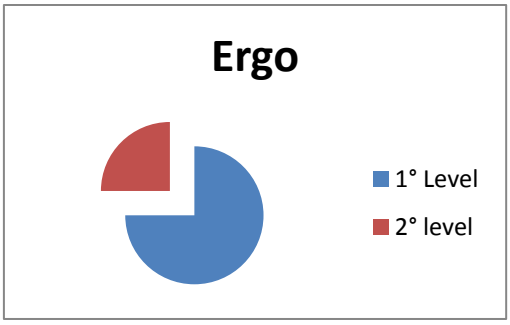
Cross Case ERGO

ERGO Insurance Group AG was founded in Germany the end of 1997 by fusion of Victoria Holding AG and Hamburg-Mannheimer AG.
Ergo operates in more than 30 countries worldwide, with more than 48,000 employees, but the focus of its activities is on Europe and Asia region.
It proposes a wide range of products and services in health, life and non-life segment. It is the 13th European insurance group in term of premium written and the 4th in Germany.
According to our analysis, I deeply analyzed AXA websites in Austria, Estonia, Germany and Poland.
In the following section, the results of each dimension are exhibit.
Regarding the value proposition dimension, it is immediately noticeable that the majority of companies are positioned on the second level of maturity (See Table 1 and Figure 1).
Ergo Germany, the only company at the interactive level, is able to implement website section in which customer can rate service offered.

Table 1- Ergo Value Proposition Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Ergo AT Ergo EE Ergo PL	4 5 6	Ergo DE	7		

Figure 1- Ergo Value Proposition



As highlighted in Table 2, two companies in our sample are ranked on the second and two on the fourth level of maturity (see also Figure 1).
Ergo Germany and Ergo Poland are ranked at the last level of maturity. They are able to provide a full transaction online and to propose different methods of payment.

Table 2- Ergo Distribution Channel Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Ergo AT Ergo EE	4 5			Ergo DE Ergo PL	10 10

Figure 2- Ergo Distribution Channel

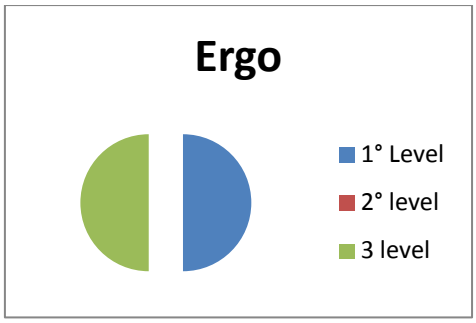


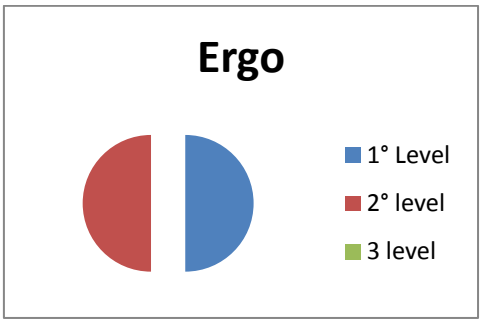
Table 3- Ergo Relationship Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Ergo AT Ergo EE	0 2	Ergo DE Ergo PL	3 3		

As highlighted in Table 3, Companies in our sample are ranked on the second and on the third level of maturity (see also Figure 3).

Ergo Germany and Ergo Poland propose to customer an online account to gain access to personalized accounts or private messages.

Figure 3- Ergo Relationship



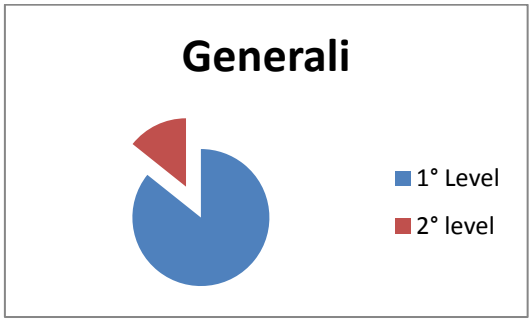
Cross Case Generali

Assicurazioni Generali Group is a multinational financial company, founded in 1831 in Italy. In 2012, Assicurazioni Generali Group was the second largest insurance group in Europe by revenues after AXA. Additionally, it is the 9th world's largest insurer, measured by assets, which reported 2011 year-end assets of $ 547 billion. It offers a wide range of property, casualty health and life products to both private and corporate customers. According to the annual report, Generali is a European leading operator in the life segment (Generali Annual Report, 2012). Its offer ranges from savings and family protection policies to unit-linked policies and complex plan for multinationals.
Assicurazioni Generali operates in more than 65 countries with more than 80 000 employees. The most important markets in term of premiums written are Italy, Germany and France. According to our analysis, I deeply analyzed Assicurazioni Generali website in Germany, Italy, France, Austria, Czech Republic, Romania, and Slovakia.
In the following section, the results of each dimension are exhibit. Regarding the value proposition dimension, it is immediately noticeable that the majority of companies are positioned on the second level of maturity (See Table 1 and Figure 1).

Table 1-Generali Value Proposition Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Generali AT	6	Generali RO	7		
Generali CZ	5				
Generali DE	6				
Generali FR	5				
Generali IT	6				
Generali SK	6				

Figure 1- Generali Value Proposition

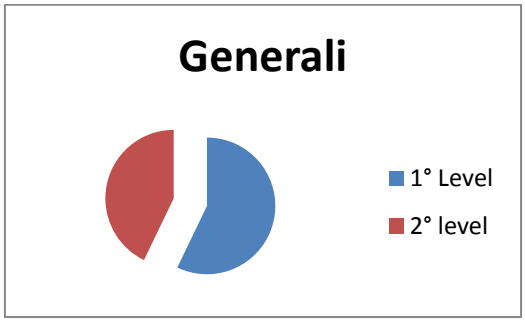


As highlighted in Table 2, four companies are positioned on the second level of maturity (see also Figure 1) and three on the third level.
Companies positioned in the interactive level (Generali France, Italy and Slovakia) provide to customer an account access to customer through which obtain and modify information about the insurance policy.

Table 2-Generali Distribution Channel Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Generali AT	3	Generali FR	7		
Generali CZ	6	Generali IT	12		
Generali DE	6	Generali SK	9		
Generali RO	3				

Figure 2- Generali Distribution Channel



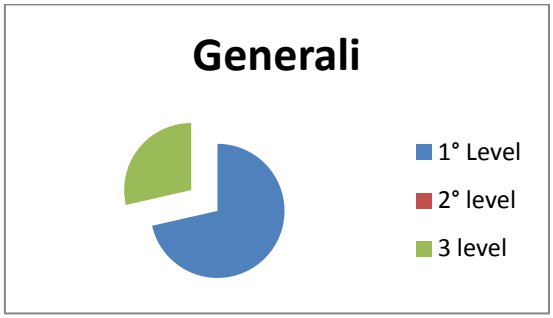
As highlighted in Table 3, the majorities of companies are ranked on the second level of maturity (see also Figure 3).

Generali France and Generali Italy ranked on the interactive level because they provide to their customer online tools aimed to offer help and services such as a Personal Digital Assistant.

Table 3- Generali Relationship Results

2° Level Companies	Score	3° Level Companies	Score	4° Level Companies	Score
Generali AT	3			Generali FR	5
Generali CZ	2			Generali IT	5
Generali DE	3				
Generali RO	1				
Generali SK	3				

Figure-Generali Relationship



Cross Case Zurich

Zurich Group is a Swiss insurance company, founded in 1912 in Switzerland and headquartered in Zurich.
It proposes a wide range of products and services in health, life and non-life segment with more than 55,000 employees.
Zurich operates in more than 170 countries worldwide. It is the 5th European insurance group in term of premium written and the 19th in Germany.
In 2012, Zurich Group was the 5th largest insurance group in Europe by revenues after AXA. Additionally, it is the 19th world's largest insurer, measured by assets.
According to our analysis, I deeply analyzed Zurich websites in Switzerland, Ireland, Italy, Spain and UK.
In the following section, the results of each dimension are exhibit.
Regarding the value proposition dimension, it is immediately noticeable that all companies are positioned on the second level of maturity (See Table 1 and Figure 1).

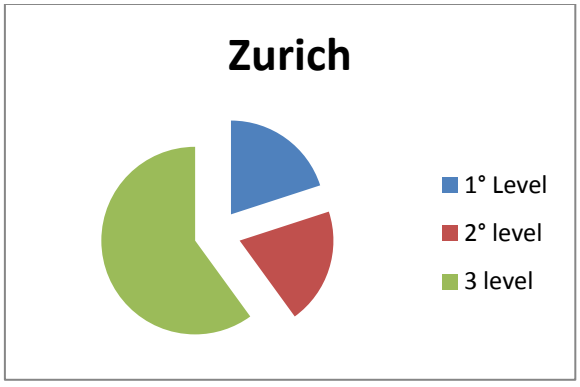
Table 1- Zurich Value Proposition Results

2° Level Companies	**Score**	**3° Level Companies**	**Score**	**4° Level Companies**	**Score**
Zurich CH	6				
Zurich IE	6				
Zurich IT	5				
Zurich SP	6				
Zurich UK	6				

As highlighted in Table 2, the majority of companies in our sample are ranked on the on the fourth level of maturity (see also Figure 2).
Zurich Italy, Switzerland and Spain are able to provide an online payment section and to propose different methods of payment.
Table 2-Zurich Distribution Channel Results

2° Level Companies	**Score**	**3° Level Companies**	**Score**	**4° Level Companies**	**Score**
Zurich IE	6	Zurich UK	7	Zurich CH	11
				Zurich IT	11
				Zurich SP	11

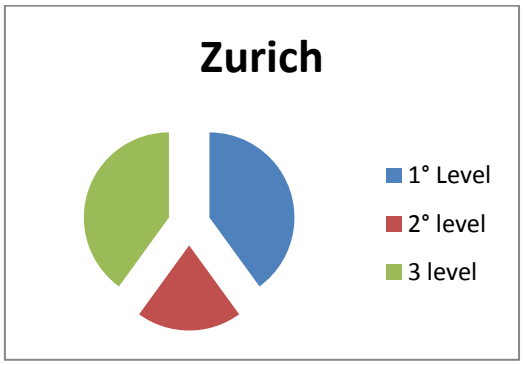
Figure 1- Zurich Distribution Channel



As highlighted in Table 3, two companies in our sample are ranked on the second and two on the fourth level of maturity (see also Figure 3).
Zurich Switzerland and Zurich Ireland provide a Personal Digital Assistant in order to enhance the relationship with customers.
Table 3- Zurich Relationship Results

2° Level Companies	**Score**	**3° Level Companies**	**Score**	**4° Level Companies**	**Score**
Zurich IT Zurich SP	1 1	Zurich UK	3	Zurich CH Zurich IE	4 5

Figure 3- Zurich Relationship



List of publications during PhD thesis work

1. **Floreddu P.B.,** Cabiddu F., Evaristo R. "Inside your social media' ring: How to optimize online corporate reputation" in corso di pubblicazione nella rivista *Business Horizons,* Special Issue "Business and the Social Media" Novembre-Dicembre 2014.
2. **Paola Barbara Floreddu**; Francesca Cabiddu; Daniela Pettinao (2011), "*Public participation in environmental decision-making: the case of PPGIS",* In Information Technology And Innovation Trends In Organizations, Springer, Germany, 2011. *ISBN: 978-3-7908-2631-9*
3. **Paola Barbara Floreddu**; Francesca Cabiddu (2012), "*Public Decisions and citizen satisfaction: the potential role of Public Participation geographic information systems*", International Journal of Electronic Commerce Studies, 3 (1), pp 121-134. *ISSN 2073-9729.*
4. Cabiddu F., Castriotta M., Di Guardo M. C., **Floreddu P.B.**, Pettinao D. (2012),"Combining Exploration and Exploitation through Crowdsourcing: the case of Starbucks " in De Marco, M.; Te'eni, D.; Albano, V.; Za, S. (Eds.) *Information Systems: Crossroads for Organization, Management, Accounting and Engineering*, Springer, pp 359-366. *ISBN: 978-3-7908-2789-7*
5. Cabiddu F., Castriotta M., Di Guardo M. C., **Floreddu P.B.**, "Open Innovation and Crowdsourcing Communities Design: a Cross Case Analysis" in Spagnoletti P, Baskerville R. and De Marco M. (2013), *Designing organizational systems: an interdisciplinary discourse*, LNISO, vol. 1, Springer, Heidelberg, pp. 143-155. *ISBN: 978-3-642-33371-2*
6. Castriotta M., Floreddu P.B., Di Guardo M.C., Cabiddu F. (2013) "Disentangling the strategic use of social media in the insurance industry: a value co-creation perspective", Social Media in Strategic Management (Advanced Series in Management, Volume 11), Emerald Group Publishing Limited, pp.63-86. *ISBN: 978-1-78190-899-0*
7. Floreddu P.B., Cabiddu F., (2014) "Assessing public participation through different lens: the case of Public Participation Geographic Information Systems" Public Administration and Information Technology-Government e-Strategic Planning and Management: Practices, patterns and roadmaps, Volume 3, pp 49-63, Springer New York. *ISBN 978-1-4614-8461-5*

Proceeding

8. **P. B. Floreddu**; F. Cabiddu; D. Pettinao; "Public Participation in Environmental decision making: the case of PPGIS", in atti del VII Italian Conference of the Italian Chapter of AIS, Napoli 8-9 Ottobre 2010.
9. **P. B. Floreddu**; F. Cabiddu; "Public Decisions and citizen satisfaction: the potential role of Public Participation geographic information systems", in atti della International Conference on Internet Studies, 9-10 Settembre, Kuala Lumpur, Malaysia
10. Cabiddu F., Castriotta M., Di Guardo M. C., **Floreddu P.B.**, Pettinao D.; "Combining Exploration and Exploitation through Crowdsourcing: the case of Starbucks", in atti del VIII Italian Conference of the Italian Chapter of AIS

11. **Floreddu P.B.**; Castriotta M.; "Multicanalità e co-creazione di valore: il caso Geico Spa", in atti del XVI convegno annuale di Aidea Giovani, *"La creazione di Valore: aspetti critici e problematiche di misurazione" ISSN:978-88-906627-06*
12. Cabiddu F., Castriotta M., Di Guardo M. C., **Floreddu P.B.**," Open Innovation and Crowdsourcing Communities Design: a Cross Case Analysis" in atti del XIII Workshop Organizzazione Aziendale. *ISBN: 9788861298712*
13. Cabiddu F., Carrus P.P., **Floreddu P.B.** (2012) "Il ruolo della comunicazione nell'ancoramento del prodotto al territorio", in Atti del XXIV Convegno annuale di Sinergie. *ISBN: 978-88-907394-0-8.*
14. **Floreddu P.B.**, Cabiddu F (2013) "Managing online reputation: the role of social media "In: Proceedings of 13 th International marketing trends conference: Marketing trends association. *ISBN 978-2-9532811-5-6.*
15. **Floreddu P.B.**, Cabiddu F., (2013) "Innovating distribution channels for competitive advantage", in Atti del XXV Convegno annuale di Sinergie. *ISBN 978-88-907394-3-9.*
16. **Floreddu P.B.**, Cabiddu F., (2013) "Multichannel strategy and sustainable competitive advantage: a dynamic capability approach" In Proceedings of the X Conference of the Italian Chapter of AIS. *ISBN 978-88-6685-007-6*
17. **Floreddu P**., Vitari, C., (2013) "Capability Lifecycle and its motivating force on strategy: the case of Green IT/S Dynamic Capability" In Proceedings of the X Conference of the Italian Chapter of AIS. *ISBN 978-88-6685-007-6*
18. Castriotta M., **Floreddu P**.,"IT-Based Co-Creation through Social Media: Defining a new business model for Insurance companies" In Proceedings of the XIV Workshop Organizzazione Aziendale. *ISBN 978-88-6787-055-4*
19. **Floreddu P**., Vitari C. "Capability Lifecycle in the context of Green IT/S Capability" In Proceedings of the XIV Workshop Organizzazione Aziendale. *ISBN 978-88-6787-055-4*

Paper accepted for presentation

20. **Floreddu P.B,** Cabiddu F. "Managing Online Reputation: The Role of Social Media in Insurance Industry" paper accepted for presentation at the OCIS divisional paper session at the 2014 Academy of Management Meeting.
21. **Floreddu P.B,** Cabiddu F. "Exploring the role of Dynamic Capabilities in multichannel context: Evidence from insurance industry" paper accepted for presentation at the 14th EURAM Conference.
22. **Floreddu P.B,** Cabiddu F. "Online corporate reputation: What are the key communication strategies behind firm's use of social media?" paper accepted for presentation at the 14th EURAM Conference