Analysis and Development of Clarity Project Marketing Strategy XYZ Insurance

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ABSTRACT: XYZ Insurance, a new entrant in the Indonesian insurance sector, aims to differentiate itself through a customer-centric approach with its "Clarity Project." This initiative seeks to simplify insurance communication and enhance customer comprehension, addressing common industry challenges. However, the project's effectiveness varies across sales channels. This research investigates the implementation and optimal marketing strategy for the Clarity Project through internal and external environmental analysis, SWOT analysis, and qualitative interviews with customers and management. The findings underscore the need for tailored marketing strategies for each sales channel, continuous customer research, and data-driven decision-making to optimize the project's impact and drive sustainable growth. The study's insights are relevant not only to XYZ Insurance but also to the broader insurance industry, emphasizing the importance of clear communication, customer focus, and appropriate marketing strategies for success in a competitive market.

KEYWORDS: Clarity Project, Environment Analysis, Insurance, Marketing Strategy, Qualitative Research, Sales Channel.

INTRODUCTION

The Indonesian insurance industry is experiencing growth but faces challenges due to low penetration rates and limited financial literacy among the population. This is primarily due to the complexity of insurance products and the industry's jargon, leading to customer confusion and distrust. XYZ Insurance, a relatively new player in the market, recognized this issue and introduced the Clarity Project in 2021. This initiative aimed to simplify insurance communication and enhance customer understanding by using plain language, visual aids, and user-friendly design in policy documents, marketing materials, and customer interactions.

Despite receiving industry recognition for innovation and customer-centricity, the project's impact on sales performance across different distribution channels has been uneven. While the agency channel has seen significant improvement, the bancassurance and digital commerce channels have not experienced the same level of success. This discrepancy suggests that customer demographics, communication preferences, and product complexities may vary across channels, impacting the effectiveness of the Clarity Project.

This research investigates the implementation and communication of the Clarity Project across XYZ Insurance's sales channels (agency, digital commerce, and bancassurance) to identify the factors contributing to the uneven impact. By understanding the nuances of each channel and the specific needs of their respective customer segments, this study aims to provide actionable recommendations for optimizing the Clarity Project's marketing strategies. The ultimate goal is to maximize the project's impact across all channels, thereby improving customer understanding, enhancing trust, and driving sustainable sales growth for XYZ Insurance.
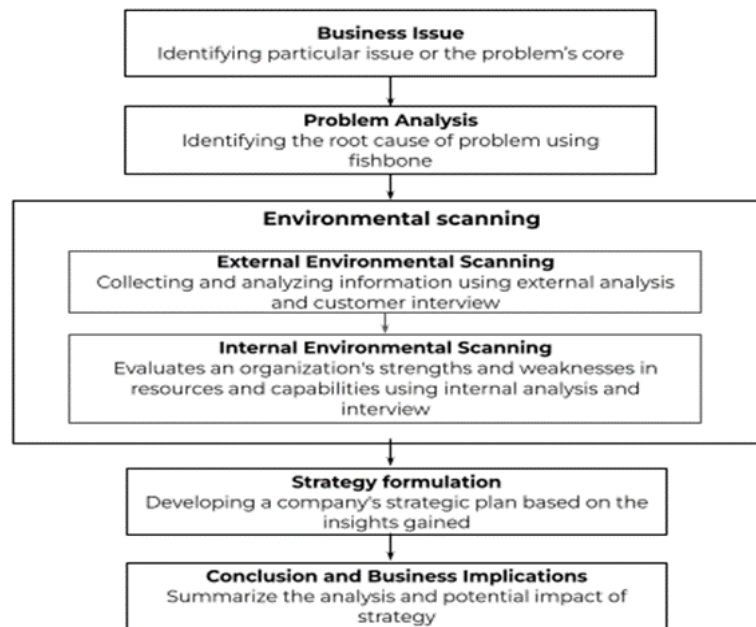
RESEARCH METHOD

Figure 1. Research Design

This research will be conducted based on the problems that have been identified, with a focus on the implementation of the Clarity Project in XYZ Insurance Indonesia's sales channels (agency, digital commerce, and bancassurance). This research will provide answers to the research questions and objectives. The Wheelen and Hunger Strategic Management Model will be used as a guide in conducting this research, which consists of four steps: environmental scanning, strategy formulation, strategy implementation, evaluation and control. However, this research will only discuss steps 1-2, namely environmental scanning and strategy formulation because this research is only limited to strategy development. Details of this research design can be seen in the figure below:

Table 1. Research Method

Phase	Steps	Method	Data Collecting
Phase 1: Environment analysis	External environment analysis	PESTLE Analysis	Secondary Data
		Porter Five Force Analysis	Secondary Data
		Customer Interview	Primary Data
	Internal environment analysis	Digital Content Analysis	Secondary Data
		Management Team Interview	Primary Data
	External-Internal environment analysis	SWOT – TOWS Analysis	Secondary Data
Phase 2: Strategic formulation	Strategic formulation	Triangulation method	Secondary and Primary Data

In this research, manual coding was employed to analyze qualitative data by systematically coding text segments, as described by Saldana (The Coding Manual for Qualitative Researchers). This method aids in identifying themes and patterns within the data. To ensure the validity of the findings, triangulation was used, involving multiple methods and data sources to gain a comprehensive understanding of the phenomenon under investigation (Patton, 1999). Triangulation also served as a strategy to test validity by verifying the convergence of information from various sources (The Use of Triangulation in Qualitative Research, Oncology Nursing Forum, 2014).

RESULTS AND ANALYSIS

The fishbone (Ishikawa) diagram is a tool used to identify the root causes of a problem (Jura, 1999). In this study, a fishbone analysis is employed to determine the underlying causes of the ineffective implementation of XYZ Insurance's Clarity Project, which has resulted in lower sales in the digital commerce and bancassurance channels compared to the agency channel.
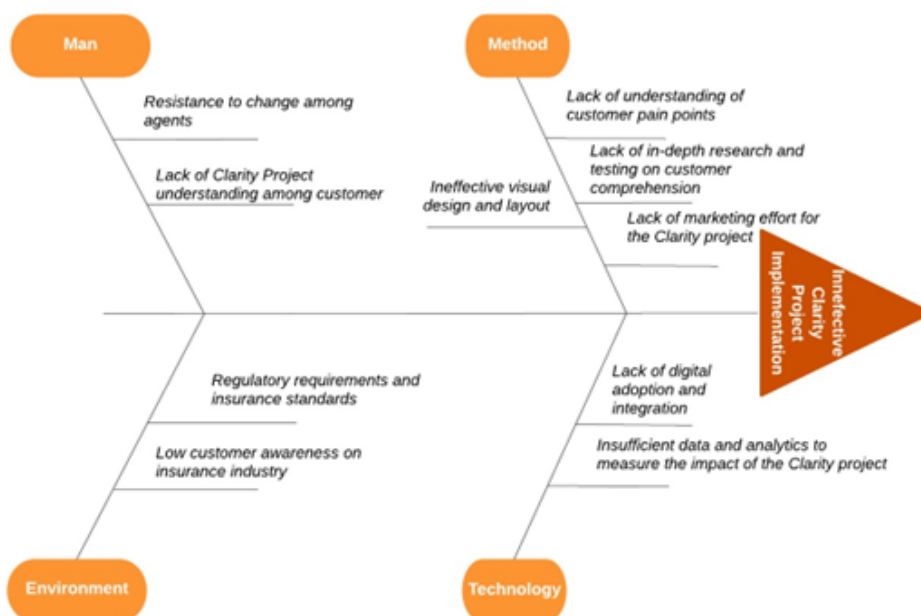

Figure 2. Fishbone Analysis

The research findings section of this document presents a PESTLE analysis, Porter's Five Forces analysis, and customer interviews to assess the external and internal environment of XYZ Insurance regarding its Clarity Project.

External Environment Analysis
PESTLE Analysis
The PESTLE analysis reveals that the external environment is generally favorable for the Clarity Project, with government support, growing demand for insurance, and technological advancements presenting significant opportunities. However, challenges such as low financial literacy and competitive market conditions need to be addressed.

Porter Five Force Analysis
Porter's Five Forces analysis indicates that the insurance industry in Indonesia is moderately attractive, with high competitive rivalry and a moderate threat of substitutes being the primary concerns. The analysis suggests that XYZ Insurance can leverage its strengths, such as the Clarity Project, to mitigate these threats and capitalize on the industry's overall attractiveness.

Customer Interview
Customer interviews across agency, digital commerce, and bancassurance channels provide insights into customer experiences and perceptions of the Clarity Project. While customers generally appreciate the simplified communication and improved customer experience, there are areas for improvement, such as addressing the lack of awareness and understanding of the project, particularly

among bancassurance customers. Additionally, the interviews highlight the need for more personalized engagement, further simplification of language, and a more trend-focused communication approach to appeal to a wider audience.

Internal environment Analysis

The internal environmental scanning, through digital content analysis and management team interviews, reveals that while the Clarity Project has been implemented across various channels, its marketing efforts have been limited. There's a need for more robust data analytics to measure the project's impact and a greater emphasis on digital adoption and integration. Additionally, the interviews highlight challenges related to agent resistance to change, the need for more customer-centric research, and ensuring regulatory compliance while simplifying communication.

SWOT-TOWS Analysis

The SWOT analysis summarizes the internal and external factors affecting the Clarity Project. It identifies strengths such as simplified contracts and improved customer experience, along with weaknesses like resistance to change and limited marketing efforts. The analysis also highlights opportunities like government support and growing demand for insurance, as well as threats like competitive markets and low financial literacy.

The TOWS matrix is then used to develop strategic options based on the SWOT analysis. It suggests strategies to leverage strengths and opportunities, such as utilizing government support to promote simplified contracts and leveraging technology to enhance customer experience. It also proposes strategies to address weaknesses and threats, such as partnering with government agencies for agent training and launching educational campaigns to raise awareness of the Clarity Project.

Table 2. TOWS Analysis

IFAS Internal Factor Analysis Summary	Strength (S)	Weaknesses (W)
EFAS External Factor Analysis Summary	S1- Simplified contract S2- Reduce complexity S3- Improving customer engagement	W1- Resistance to change among agents W2- Lack of marketing effort for the Clarity project W3- Lack of in-depth research and testing on customer comprehension W4- Limited use of digital tools and platform W5- Insufficient data and analytics to measure the impact of the Clarity project W6 – Potential of misunderstanding
Opportunities (O)	SO- Strategy	WO- Strategy
O1- Government support O2- Growing demand for insurance O3- Technological advances	SO1 (S1, O1): Partner with government initiatives to promote simplified contracts as a benefit of Clarity Project. SO2 (S2, O2): Emphasize how Clarity Project's reduced complexity aligns with growing demand for easy-to-understand insurance. SO3 (S3, O3): Use technological advances to enhance customer engagement through the Clarity Project.	WO1 (W1, O1): Leverage government support to train agents on the value of the Clarity Project's simplified approach. WO2 (W3, O2): Use in-depth research to understand customer needs in the growing insurance market and tailor Clarity Project messaging. WO3 (W2, W4, O3): Adopt technological advances to overcome internal resistance and enhance marketing efforts.

Threat (T)	ST- Strategy	WT- Strategy
T1- Regulatory requirement and insurance standard T2- Competitive insurance markets T2- Low financial literacy	ST1 (S1, T1): Use simplified contracts as a competitive advantage in meeting regulatory standards. ST2 (S2, S3, T2): Highlight reduced complexity and improved engagement to differentiate from competitors. ST3 (S1, T3): Position Clarity Project as a solution for customers with low financial literacy by simplifying insurance concepts.	WT1 (W3, T1): Ensure Clarity Project compliance with regulatory requirements to mitigate risks. WT2 (W2, W3, T2): Differentiate Clarity Project from competitors by highlighting its simplified contracts and improved customer engagement. WT3 (W3, T3): Offer educational resources alongside Clarity Project to address low financial literacy.

The analysis identifies several key issues with XYZ Insurance's Clarity Project. There is a lack of understanding among customers about the project, particularly in the bancassurance and digital channels. Marketing efforts have been insufficient, especially in these two channels, and there is a lack of in-depth research and data analysis to measure the project's impact. Additionally, there is a general lack of customer awareness about insurance in Indonesia.

To address these issues, the researcher proposes five solutions:

1. Clarity Project Education Campaign: Launch a dedicated campaign across multiple channels to educate customers about the Clarity Project and its benefits.
2. Targeted Marketing for Bancassurance: Develop tailored marketing materials and campaigns specifically for the bancassurance channel, focusing on the project's benefits for bank customers.
3. Digital Storytelling for Clarity Project: Create engaging digital content, such as videos and infographics, to tell the story of how XYZ Insurance is making insurance easier for customers.
4. Customer-Centered Research and Feedback Loop: Implement regular surveys, focus groups, and usability testing to gather customer feedback and refine communication materials.
5. Data-Driven Decision Making: Invest in data analytics to track key metrics and measure the project's impact, enabling data-driven decisions for further improvement.

These solutions aim to enhance customer understanding, increase engagement, and drive sales growth across all channels by leveraging XYZ Insurance's strengths and addressing the identified weaknesses.

CONCLUSION

The Clarity Project by XYZ Insurance has shown varying degrees of success across different sales channels. While it has been well-received in the agency channel, it has not been as effective in the bancassurance and digital commerce channels due to a lack of targeted marketing, customer research, and data analysis. To maximize the project's potential, XYZ Insurance needs to implement a multi-faceted approach. This includes educational campaigns to raise awareness, targeted marketing strategies for different channels, continuous customer research and feedback, and robust data analytics to measure the project's impact. Additionally, addressing industry-wide challenges like low financial literacy and mistrust in insurance products is crucial for the long-term success of the Clarity Project and the overall growth of XYZ Insurance in Indonesia.

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