

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

CONSULTING PROJECT WITH THE TOPIC: “BOOSTING CUSTOMER LOYALTY BY INCREASING BRAND ENGAGEMENT AND OFFERING VALUE-ADDED SOLUTIONS”

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“The Value Added of a Loyalty Program”

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“Drivers of Successful Engagement and Loyalty Strategies”

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“The Development of a Loyalty Program's Value Proposition”

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“Defining the Ideal Customer Journey for a Loyalty Program”

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The Consulting Project focuses on the strategic assessment of the potential value creation of a loyalty program in the context of the insurance industry and also on the development of one for Tranquilidade – including its value proposition; structure; mechanics; and financial impact assessment. The fulfilment of this pair of objectives was accomplished by conducting external and internal analyses, in order to identify not only the opportunities and threats in the insurance industry but also to pinpoint Tranquilidade’s strengths and weaknesses to succeed in it. The Team proceeded to formulate hypotheses and testing them, by interviewing experts in the industry; doing in-depth interviews with customers; doing a survey; and organizing two focus groups as well as one design-thinking workshop. The outcome of the present project is a loyalty program – the +*Tranquilos* Program –, as a main recommendation, alongside a set of additional considerations, whose implementation will be critical to the success of the Program, aligned with the project’s title: “Boosting Customer Loyalty by Increasing Brand Engagement and Offering Value-added Solutions”, so that Tranquilidade can become a lifetime partner for Portuguese insurance customers.

Keywords: App, B2C, Benefits Collection, Consulting, Customer Loyalty, Engagement, Generali, Insurance, Insurance Product, Lifetime Partner, Loyalty Program, Network of Partners, Redeem, Tranquilidade, Value Proposition.

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Last but definitely not least, we would like to express our inmost gratitude for the endless encouragement and support from our families and friends, who were our rocks and shelters during this unforgettable journey. This accomplishment is also yours.

Glossary

Word	Definition	Word	Definition
Agent	An agent is an insurance professional who sells and negotiates different types of insurance products, receiving a commission for it. Agents can be exclusive (working under a single brand) or multi-brand.	Cross Sale	A marketing method that aims to sell a related or complementary product to a client.
AI	Artificial Intelligence	Digital Hub or Mobile Hub	Future digital platforms that Tranquilidade aims to provide to its consumers.
ASF	Insurance and Pension Funds Supervisory Authority in Portugal	EFMA	European Financial Management Association
BP	Best Practices	ESG	Environmental, Social, and Governance
BCG	Boston Consulting Group	EU	European Union
BFSI	Banking, Financial Services, and Insurance	EFMA	European Financial Management Association
Broker	A broker acts in representation of consumers to search and negotiate the best solutions for their needs on behalf of a compensation.	FMCG	Fast Moving Consumer Goods
B2C	Business-to-Consumer	GDP	Gross Domestic Product
CAGR	Compounded Annual Growth Rate	GDPR	General Data Protection Regulation
CDO	Chief Distribution Officer	Green Clients	A Tranquilidade's name for all customers that receive all insurance related communications in a digital way (e.g. e-mail)
CEO	Chief Executive Officer	Hazard	A condition that may create or even increase the probability of occurring in a loss.
CIO	Chief Insurance Officer	HR	Human Resources
Claim	A request performed by a policyholder or third party, from an insurance company, for compensation of losses covered by insurance, with the claimant person being the one who requests a certain number for covered losses from the insurer.	ICT	Information and Communication Technology
CMO	Chief Marketing Officer	Insurer	The company or person that unwrites an insurance.
Conditions	Portion(s) of an insurance policy that explains duties and responsibilities of both the insured and the insurer.	InsurTech	Combination of "Insurance" and "Technology", that refer to the use and development of technologies to increase efficiency and savings compared to the traditional insurance business models.
CRM	Customer Relationship Management	IoT	Internet of Things
		IT	Information Technology

Glossary

Word	Definition
Life Insurance	A life insurance is a financial product that pays a sum of money to beneficiaries when the policyholder dies. In exchange, policyholders pay a premium during its lifetime.
MVP	Minimum Viable Product
McKinsey	McKinsey & Company
Non-Life Insurance	A Non-Life insurance includes every types of policies besides Life Insurance. These insurance can cover cars, health, or property.
OECD	Organization for Economic Co-operation and Development
On-off Insurance	Possibility for a certain consumer to pay for a certain product or service only when using it, i.e., the customer has the advantage of turning on or off the payment, whenever wanted, without any type of penalty.
Policy	A contract for insurance between the insurer and the policyholder.
Premium	The amount paid for an insurance policy.
SME	Small and Medium-sized Enterprise
SHoP	Stop, Hold, and Purchase framework
SME	Small and Medium-sized Enterprise



Language of the Document: the present Document, which serves as the Master Thesis in the context of the *Masters in Management at Nova School of Business and Economics* (Nova SBE) is written in **English** from the **United States of America (U.S.A.)**.

Consulting Labs aim to assist organizations solving real and key strategic problems, being a mutually beneficial partnership between NOVA SBE's students and leading companies in their respective business industries.

Tranquilidade Consulting Lab

TRANQUILIDADE



UNBIASED INSIGHTS

Personalized solutions on business opportunities, addressing critical challenges to potentiate the creation of value and contribute to sustainable growth.



EXTERNAL EXPOSURE

Enrichment of internal knowledge and capabilities through innovative external human resources, enabling a fruitful investment-output relationship.



TOP TALENT

Strengthen the relationship with NOVA SBE for future partnerships whilst having privilege access to a pool of highly-skilled students.

NOVA SBE

PROFESSIONAL WORLD IMMERSION

Collaborate and co-create with a leading (insurance) company while exploring concrete career opportunities.



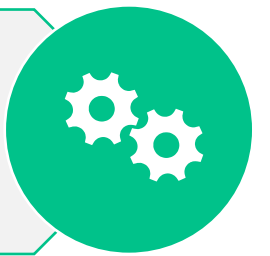
HANDS-ON EXPERIENCE

Practical application of cross-sectional methods and concepts learned in-class to contribute to the resolution of real business problems.



SKILL SET

Development of a broad range of meaningful soft and hard skills, especially significant in the context of strategic consultancy.



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The project is focused on market and consumer analysis with the aim of developing a loyalty program that is aligned with Tranquilidade's value proposition and that enhances the touchpoints between the Insurer and its Clients.

A.1. Executive Summary

EXECUTIVE SUMMARY

Situation: Tranquilidade is an established Portuguese insurer, founded over 150 years ago, which was recently integrated into Generali Group, with the primary objective of becoming a lifetime partner for Portuguese customers.

Complication: Tranquilidade is inserted in a highly vying industry, with a growing competition from *InsurTechs*, making the product margins very small year by year. Moreover, consumers rarely engage with insurance brands, usually only doing it when the interaction regards negative experiences.

Question: Should Tranquilidade implement a reward system to promote customer loyalty?

Answer: Yes, by implementing a loyalty program with a differentiating customer-centric approach that is aligned with Tranquilidade's value proposition.

Project Goals: **(1)** Comprehend the industry, the market, and the customer; **(2)** Define a differentiating value proposition; **(3)** Develop a customer-centric loyalty program (B2C) that is aligned with Tranquilidade's overall strategy.

Recommendation: **(1)** The Team proposes the development of a customer-centric and points-system based loyalty program, which enables the enhancement of both the quantity and quality of touchpoints between Tranquilidade and its customers, that is digital-based and that also potentiates the insurer's raid of action, by including a network of relevant partners for both the collection of benefits and their further redeem. **(2)** The recommendation focuses on leveraging Tranquilidade's value proposition of prevention and assistance, ensuring that the intended lifetime partnership is extended to a dimension beyond insurance, contributing to a more frequent and tighter level of engagement that maximizes customer loyalty. **(3)** Additional recommendations, to be implemented in parallel with the design and further implementation of the loyalty program, are also provided, as significant contributors for Tranquilidade to reach the delineated strategic goals.

Implementation Plan & Impact: A go-to-market strategy and financial impact assessment of the main recommendation are also presented, alongside with an implementation plan.

The Team, in order to develop an overview of the consulting project's methodology, considered meaningful theories, frameworks, and models, which are described in the Literature Review.

B.1. Methodology | Literature Review (I/III)

Methodology – The Master Thesis consisted of doing the Consulting Field Lab, in collaboration with Tranquilidade. Consulting Teams, as defined by Minto, B. (2008) and outlined by Raisel E. in the book “The McKinsey Way” (1999), should pursue a solution problem-solving methodology, which translates on starting with the solution to the overriding question at hand, further breaking down both the problem and the solution, through deductive reasoning (“Why is the solution possible?”) and inductive reasoning (“How can the organization apply the solution?”). The onset of the binomial of different reasonings will be enriched seven relevant frameworks. Firstly, to structure the process of development of the required Loyalty Program, the **Business Model Canvas** – developed by Osterwlder and Pigneur (2011) – will be considered. Secondly, in order to identify the main drivers of change, in the context of the macro environment that is expected to determine the performance of an organization in a specific industry, the **STEEP** model, proposed by Francis J. Aguilar (1967), which analyzes the forces – Socio-demographic; Technological; Economic, Environmental; and Political-Regulatory – that impact an organization, highlighting opportunities and threats. Thirdly, the **McKinsey 7Ss**, which maps interrelated factors that impact an organization's ability to change and that was featured in the book “In Search of Excellence” (1982), by Thomas J. Peters and Robert H. Waterman, also providing an overall perspective on an organization's internal capabilities and competencies from different viewpoints. Fourthly, following the understanding of the firm's internal organizational aspects and client portfolio, the **Resource-Based View Model**, created by Jay Barney (1991), will be utilized, to comprehend the drivers of an organization's competitive advantage with its resources. According to this framework, the VRIO resources are considered those that offer sustainable competitive advantage to an organization, despite mentioning that other resources should not be neglected as they are essential for proper business functioning. Subsequently, to identify the firm's internal strengths and weaknesses as well as external opportunities and threats that may influence its business, the **SWOT** analysis, conceived by Albert Humphrey (1960) will be used. This particular analysis should be complemented with the utilization of the **TOWS** framework, so it can be understood how SWOT's findings can be applied to the definition of strategic options. Fifthly, to assess the micro-environment of the insurance industry, a **Porter's Five Forces** analysis – firstly used by Michael Porter (1979) – will be performed, with the purpose of evaluate the overall strength of competitive forces in this industry's profitability and how can a firm defend itself from these forces or use them in its favour. Sixthly, in order to access Tranquilidade's internal environment, the **Value Chain framework** developed by Michael Porter (1985) will also be utilized to assess the Company's value creation. Thus, according to Cristopher, M. (1992),

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B.1. Methodology | Literature Review (II/III)

primary and support activities of an organization's performance were object of an analysis to disclose the main drivers that leads to its competitive strategy. Seventhly, according to Barney, J. (1992), the **Resource-Based View Model** shall be applied to access the firm's resources – assets; capabilities; and competencies – that check the VRIO criteria and, therefore, can provide a sustainable competitive advantage to Tranquilidade. Besides the frameworks enumerated, a set of concepts and analysis were conducted to deeper understand either Tranquilidade itself or the loyalty topic. According to Porter, M. (1980), a firm should select a proper **generic competitive strategy** – cost leadership; cost focus; differentiation; and differentiation focus –, to avoid being “stuck in the middle scenario” and, therefore, not being able to capture a sustainable competitive advantage. Then, a **Product Life Cycle** analysis, developed by Vernon, R. (1966), will be conducted to characterize the different stages of a loyalty program, since this was specially required by the Client and can, in fact, be the Team's main recommendation. To deliver the aforementioned recommendation, it will be essential to build a Marketing Mix, by using the 7Ps (Product; Promotion; Place; Price; People; Process; and Physical Evidence), developed by Booms, B. and Bitner, M. (1981). From what concerns loyalty and the potential program requested by the Client, it will be very important to conduct analysis and work under concepts and frameworks constructed for any of both topics. From the literature, the Team could find that there is a consensus for two main types of customer loyalty: attitudinal loyalty and behavioural loyalty. According to Dick and Basu (1994), attitudinal loyalty concerns to the psychological propensity to buy from a given brand, reflecting the positive actions of a consumer towards a brand or organization. According to Ehrenberg (2000), behavioural loyalty refers to the continuous purchase action by the customers after the measurement of past purchases experiences with the same brand. Regarding frameworks related with loyalty, the McKinsey Loop – developed by McKinsey (2015) – will be considered to have a deeper perception about the consumer journey and, indeed, the stages of his/her loyalty towards a given brand or corporation. Furthermore, McKinsey's ecosystem of benefits, developed in 2020 by the consulting firm, will be considered, to better understand customers' requirements for benefits in a loyalty scheme. To access consumers loyalty and interactions with a brand, the RFM metric – a marketing analytics tool –, developed by Wu and Lin (2005), will be considered, to understand how Recency, Frequency, and Monetary metrics relate with engagement and, therefore, loyalty. The research design, whose main objective is to understand consumer behavior trends that foster a mutual beneficial relationship between the insurance company and its customers, will be divided into primary and secondary data. From what concerns the primary one, it has two different

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B.1. Methodology | Literature Review (III/III)

ramifications: quantitative, with a survey; and qualitative, with in-depth interviews and focus groups. To quantify the considered variables, which regarded to the insurance industry, the quantitative research will be conducted via a survey. In-depth interviews, as suggested by Naresh K. Malhotra and David F. Birks (2017), allow to identify insights; develop hypotheses; and delineate key variables, while also enabling to identify repressed thoughts that would not be expressed otherwise. Focus groups are useful to dynamically validate the proposed recommendations, as outlined by the Interaction Design Foundation (2020). As suggested by Eric Ries in “The Lean Startup” (2011), a Minimum Viable Product (MVP) will be created to collect insights from insurance customers and ensure the future product development, allowing to safeguard the robustness of the main recommendation. Finally, to maximize the effectiveness of the communication of the main recommendation, a go-to-market strategy will be delineated by firstly defining the positioning of the brand (target; frame of reference; and point of difference and reason to believe and its implications on the a-b-e model) and also the objectives with the communication (category need; brand awareness; brand attitude; brand purchase intention; and purchase facilitation), as proposed by Rossiter & Percy (1987) and by Percy & Elliot (2016).

With the presented topics of the conducted literature review, the Team gained a deep understanding on the existing researches about insurance and, in particular, loyalty programs – namely, in terms of important concepts; research methods; and experimental techniques that are valuable to use –, allowing us to further present that knowledge not only in a theoretical manner but also contextualized in the project's main objective – that is the building of a loyalty program for a leading insurance Company. We can, therefore confidently state that doing the literature review greatly helped us to add much more value to Tranquilidade, our client, and also to our own personal libraries of knowledge.

The alignment of goals, scope and its respective timeline, with Tranquilidade was an essential first step for the project success. Weekly meetings and steering committees provided continuous feedback and alignment with the Client.

B.2.1. Methodology | Project Methodology | Collaboration Goals, Timeline, and Scope

GOALS

Comprehend the market

- ✓ Understand insurance customers' needs and expectations;
- ✓ Comprehend customer-base, with a 360° view;
- ✓ Identify personalized and customer-centric experiences.

Define a differentiating value proposition

- ✓ Analyse the current engagement strategy;
- ✓ Comprehend the drivers of successful engagement and loyalty strategies.

Develop a loyalty program

- ✓ Definition of relevant engagement strategies;
- ✓ Delineate a go-to-market strategy to increase customer loyalty.

Diagnosis & Analysis

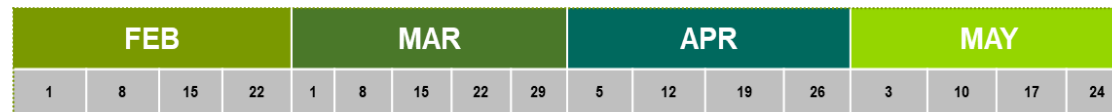
- Project details and goals alignment
- External and Internal Analysis
- Benchmark and Best Practices
- Direct Research

Strategy Formulation

- Hypothesis and Strategy Analysis
- Evaluation

Final Recommendations

- Recommendations of strategic and final deliverables
- Roadmap for implementation and actions



Legend: Kick-Off Meeting

Steering Meetings

Final Presentation

IN SCOPE

Portuguese market and demand



Tranquilidade's customers (all categories included)



Consumer segmentation for data analysis purpose



Fundamental "go-to-market" recommendations



Strategic decisions related with digital (website, apps, and others)



Impacts and Profitability Analysis



Recommendations concerning Change Management in the business context



OUT OF SCOPE

Worldwide Demand*

New customers' acquisition strategies and B2B

Personalized solutions for each segment, minors of 18-years old

Marketing and Communication Plans

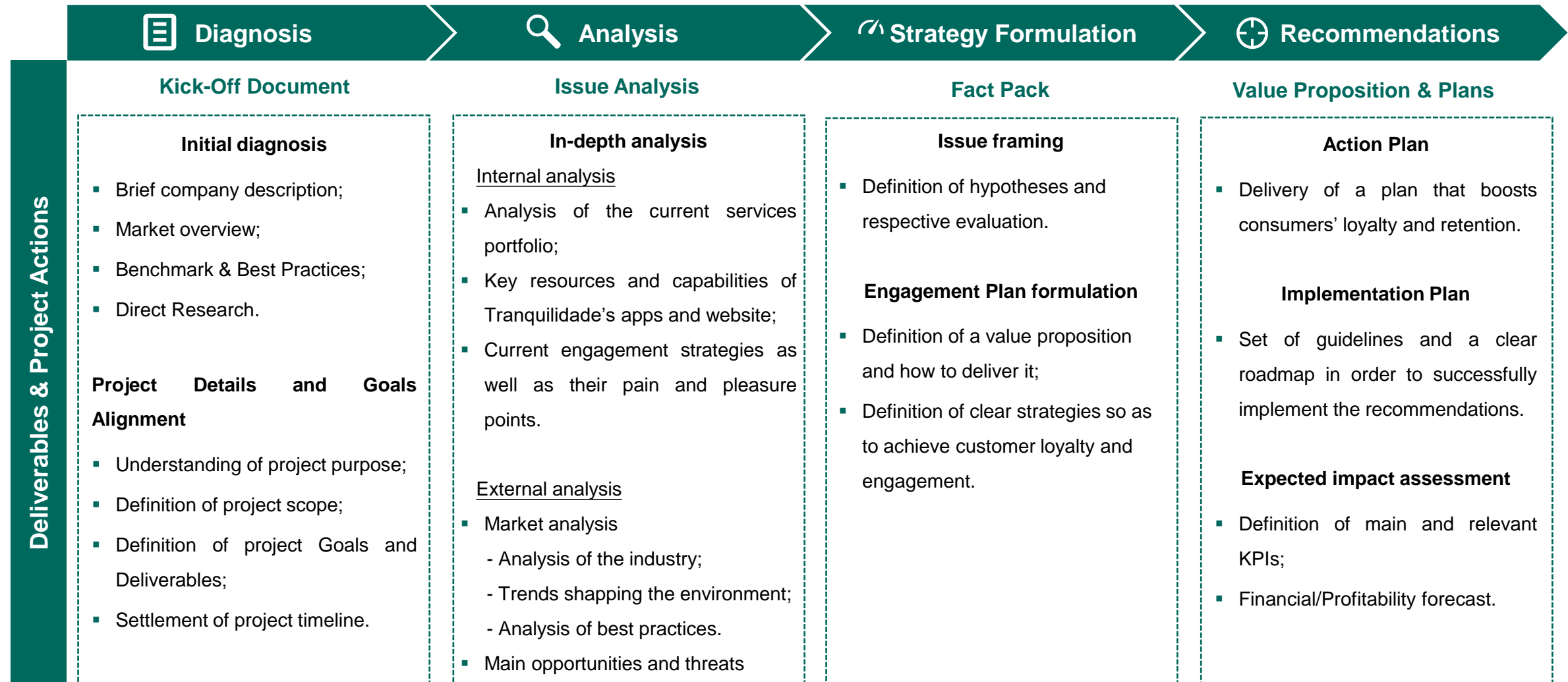
Creation, Development, or Implementation of any digital product/service

Pricing Strategy and fully detailed financial analysis

Strategic, planning, and organizational Human Resources

The project will be structured into four different stages, to allow the development of effective, feasible, and personalized strategic and operational recommendations, along with its respective deliverables.

B.2.2. Methodology | Project Methodology | Project Approach



The deductive reasoning is applied through the prosecution of both an external and internal analyses, in order to validate the overriding question, with the inductive reasoning being developed by formulating on how to address the challenge.

B.2.4. Methodology | Project Methodology | Methodology Rationale

Should Tranquilidade implement a reward system to promote customer loyalty?

Yes

Deductive Reasoning

Why?

There is an external opportunity and internal capabilities.

External

Internal

Therefore, Tranquilidade should develop a reward system to promote customer loyalty.

Inductive Reasoning

How?

Through a reliable and strong value proposition.

Program

Distribution

Hypotheses Formulation and Testing

The assessment of relevant external – opportunities and threats – and internal forces – strengths and weaknesses – allowed for the understanding of the reasons that justify the creation of a loyalty program by Tranquilidade.

B.2.5. Methodology | Project Methodology | Deductive Reasoning

Should Tranquilidade implement a reward system to promote customer loyalty?

Yes

Why?

External

Internal

Opportunities

Threats

Strengths

Weaknesses

Acquisition by Generali

The Generali Group has brought a new customer-centric culture and financial funds that can leverage Tranquilidade's digital transformation.

Technological Landscape

The insurance industry's dynamic landscape offers growth potential, namely with diverse partnerships with digital-based companies that can sway core competencies.

Omnichannel

There has been a growing trend in insurers implementing an omnichannel strategy, by interconnecting physical and digital channels, to create a single ecosystem.

Effects of COVID-19

The short and medium-term economic, financial, and social effects of the pandemic will impact customers' willingness to pay, particularly for non-essential insurance products.

Emergent Players

Established insurance players are heavily investing in innovation whilst new digital-based firms (*InsurTechs*) are also emerging in the market, driving up competition.

Demanding Customers

Customers are increasingly more demanding, with traditional insurers falling behind their expectations.

Distribution Network

Large distribution network with over 2,000 points of sale in Portugal, composed of agents with deep customer knowledge.

Product Portfolio

The product portfolio is composed of very diversified insurance products, from auto to animals, with solutions for every moment and stage of the clients' lives.

Reputation

Tranquilidade, who is 150 years old, is one of the top-of-mind insurers in the Portuguese market, with relevant and significant brand awareness.

Single-product client base

The majority of clients are single-product ones, so there is no strong barrier that prevents them from resorting to another brand.

Hierarchical Structure

The somewhat rigid hierarchical structure and ageing workforce may threaten transformation and innovation.

Agents and Brokers

The business is heavily dependent on both agents and brokers, without properly leveraging digital platforms to target the customers of the future.

A set of recommendations were formulated focused on two main areas: the loyalty program itself (system; benefits collection; and redeem) and distribution (which should be digital-based).

B.2.6. Methodology | Project Methodology | Inductive Reasoning

Therefore, Tranquilidade should implement a reward system to promote customer loyalty.

How?

System	Benefits Collection	Redeem	Digital Distribution
<p><u>Create a points-based system</u></p> <p>Create a loyalty program that is points-system based, aligned with Tranquilidade's value proposition – that is related with both prevention and assistance –, enhancing the number of touchpoints with its clients, to potentiate the engagement levels, and create a relevant monetary exit to diminish the likelihood of customers leaving the insurer upon the ending of their policies.</p>	<p><u>Develop internal and external touchpoints of benefits collection</u></p> <p>Develop a set of possibilities, directly and non-directly related with Tranquilidade, that comprehend insurance activities and also those that are coordinated with engagement trends in the industry, including a network of partners related with the Firm's insurance offer, with which customers can collect benefits.</p>	<p><u>Devise internal and external solutions for the redeem of benefits</u></p> <p>Devise relevant internal and external options for Users to redeem the collected benefits, complementing the loop of the reward system, by taking advantage of a catalog composed of products and services offered by a restrict set of meaningful partners whilst also allowing for the redeem to be done internally on insurance.</p>	<p><u>Conceive a digital mobile app</u></p> <p>Create a digital application that accommodates the loyalty program, allowing customers to interact with its various functionalities, from the collection of benefits to their redeem, also including tasks related to the insurance contracted, serving as an interactive communication platform between Tranquilidade and its clients.</p>

Multiple hypotheses were formulated and later tested, through a rigorous analysis, using relevant direct and indirect tools, and whose validation sustains the recommendations presented to the Client.

B.2.7. Methodology | Project Methodology | Hypotheses Analysis

ISSUE	SUBISSUE	HYPOTHESIS	ANALYSIS
System	Should Tranquilidade implement a direct discounts system?	Yes. A direct discounts system allows customers to benefit from reductions in the prices of products and services easily, leveraging on these offers to stimulate their engagement.	<ul style="list-style-type: none"> • Benchmarking & BPs analysis • Design Thinking Workshop • Experts & Agents Interviews • Focus Group • Qualitative Interviews • Quantitative Survey
	Should Tranquilidade implement a points system?	Yes. A points system introduces a gamification dynamic that encourages customers to stay engaged with the brand and creates a relevant barrier to their exit.	
Benefits Collection	Should Tranquilidade implement a soft engagement system?	Yes. A soft engagement system streamlines the boosting of this form of interaction's relevance, offering a seamless experience through the sharing of pertinent content.	<ul style="list-style-type: none"> • Benchmarking & BPs analysis • Design Thinking Workshop • Experts Interviews • Focus Group • Qualitative Interviews • Quantitative Survey • Secondary Data
	Should Tranquilidade implement a referral system?	Yes. A referral system is a modality appreciated by brands – as it allows a rapid increase in new customers – and customers – they benefit from bringing them into the Firm's ecosystem.	
	Should Tranquilidade develop a partnerships network?	Yes. Developing a partnerships network allows the increase in upside selling potential, by, for instance, enhancing the access to new customers and potentiate brand awareness.	
Redeem	Should Tranquilidade allow internal redeem?	Yes. Allowing the redeem to be done internally offers the possibility of keeping customers within the same ecosystem whilst creating another touchpoint between the two.	<ul style="list-style-type: none"> • Design Thinking Workshop • Experts & Agents Interviews • Qualitative Interviews • Quantitative Survey
	Should Tranquilidade allow lateralized redeem?	Yes. Lateralizing the redeem of the benefits collected not only enhances the use of the installed partnership network but also potentiates customer engagement.	
Distribution	Should Tranquilidade distribute its loyalty program through digital channels?	Yes. Distributing the program via digital channels allows the collection of a greater diversity of customer information, enabling the better targeting of products/services and communications.	<ul style="list-style-type: none"> • Design Thinking Workshop • Experts & Agents Interviews • Focus Group • Qualitative Interviews • Quantitative Survey
	Should Tranquilidade distribute its loyalty program through physical channels?	Yes. Insurance companies, particularly Tranquilidade, still heavily rely on clients personally interacting with agents, so distributing the program through physical channels is key for its success.	

Legend: Hypothesis validated Hypothesis not validated

The analyze the internal and external context of Tranquilidade, as well as to formulate and test study hypotheses, academic frameworks and qualitative and quantitative research were used.

B.2.8. Methodology | Project Methodology | Research Methodology (I/II)

[Consult Appendix](#)

Deductive Reasoning – WHY?

External Analysis

STEEP + I

Best Practices

Porter's Five Forces

Competition Analysis

Macro
Context

Micro
Context

Internal Analysis

Resource-Based View

Porter's Value Chain Model

SWOT & TOWS Analysis

Product & Consumer Life Cycle

Inductive Reasoning – HOW?

Business Model Canvas

Marketing Mix (Adapted) – 7Ps

Minimum Viable Product

Recency, Frequency, Money Value – RFM

McKinsey 7s

McKinsey Loop

McKinsey Ecosystem of Benefits

Porter's Generic Competitive Strategies

Sources

Internal



Internal Company
Data



Executive Board & Company
Specialists Interviews
(15 Interviewees)



Agents Interviews
(6 Agents)

External

Primary Data



Customers'
In-Depth Interviews
(30 Interviewees)



Focus Group
(2 Focus Groups)



Survey
(436 Respondents)



Loyalty and Academic
Experts Interviews
(4 + 4 Experts)



Design Thinking
Workshop
(8 participants)

Secondary Data



Industry Reports
(29 Reports)



Benchmark Analysis

Theoretical concepts must be considered and known, in order to better understand the insurance industry and enhance the level of industry literacy, which is much needed to benefit the most of the importance and advantages of insurance.

C.1. Diagnosis | Insurance Definition and Global Overview (I/II)

Important insurance definitions

Insurance is a device for the reduction of uncertainty of one party, called the insured, through the transfer of particular risks to another party, called the insurer, who offers a restoration, at least in part, of economic losses suffered by the insured (Pfeffer and Klock, 1974).

Therefore, it can be concluded that, on the one hand, the **insured** is an individual or parties who are protected or insured by a certain insurance policy, and, on the other hand, the **insurer** is the firm that provides the insurance coverage and services on a policy. It is also important to note that **claims** can be defined as a formal request by a policyholder to an insurance company for coverage or compensation for a covered loss or policy event, whilst **policy** is the contract established between the insurer and the policyholder, with the goal of settling the **claims** that the insurer compromises legally to pay. Regarding the customer legal obligations, the **premium** is the value paid for having an insurance.

The Importance of Insurance and its literacy

- Insurance is becoming a matter to society, due to the **advantages** it provides directly and indirectly to people through risk mitigation, such as: **protection** for the **insured** and **all family members** (that usually depend financially on the insured member); **reduction of anxiety and stress** in unforeseen accidents and tragedies, providing a positive impact in people's **health** and **wellbeing**; **financial security** in the long-term, not only for the **insured** but also for the **relatives**.
- Despite its **mutual benefits**, often there is an **atmosphere of mistrust and lack of transparency**, proliferating the mentality of policyholders unfairly against large, anonymous, and complex bureaucracies. However, the insurance industry has been **neglecting** this image and **communicating poorly** all the mechanisms needed that allow its functions, contrarily to the banking industry, for instance.

- Moreover, there is a significant amount of **misinterpretation**, or even **total lack of comprehension and literacy**, regarding the insurance business. Such reality not only impacts negatively the insurers' reputation but also the consumers that can end up not having the most appropriate coverage.

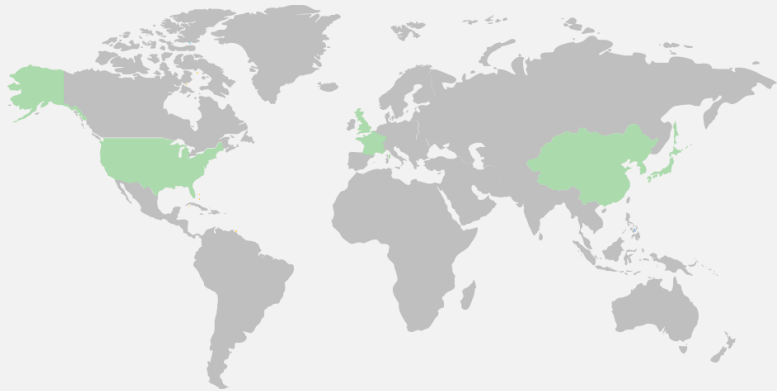
The Life and Non-Life Insurance Product Offers

- There are two types of insurance segments: the **life** and the **non-life**. The first one concerns to **all life insurance policies** that guarantee that the insurer must pay a certain amount of money to the **beneficiaries**, in case the holder of the policy dies, in exchange for the **premiums paid by the policyholder during their lifetime**. The other one bears in mind all the other insurances that are **not life concerning**, regardless of what is covering (a person, an object, or even a property).

The challenging reality that emerged with the COVID-19 pandemic did not affect in great extent the insurance industry, as many predicted, with the need for insurance products increasing and multiple firms leading this trend.

C.1. Diagnosis | Insurance Definition and Global Overview (II/II)

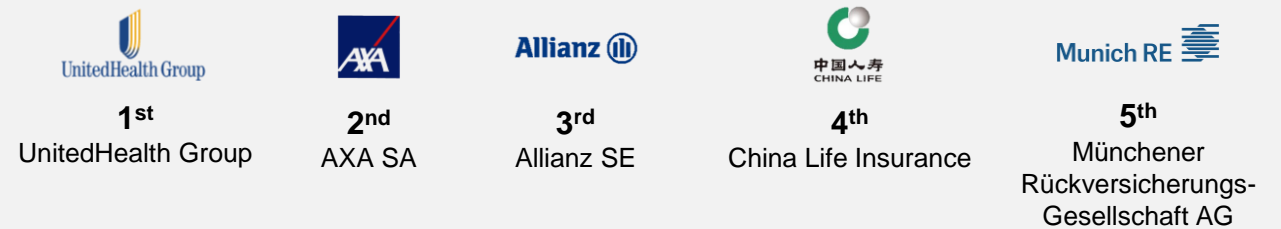
Top 5 Countries By Life and Non-Life Direct Premiums Written, 2019



Info graph 1 – The top 5 countries by Life and Non-Life direct premiums written, in 2019 | Source: Insurance Information Institute (2021)

- The **top 5 countries** concerning the amount of premiums written during 2019, worldwide, are **USA** (2.4 M\$); **China** (617K\$); **Japan** (459K\$); **UK** (366K\$); and **France** (262K\$).
- Majority of OECD and non-OECD countries are facing or will face **increased needs for coverage**, due to the increasing **large-scale risks** and other risks that are becoming **less covered** by public/corporate/collective/family systems: namely **pension**; **health**; and **savings**.

Top 5 Worldwide Insurance Companies (ranked by revenues)



Source: Statista (2020a)

- The top 5 insurance companies worldwide, ordered by the amount of revenues, are: the **United Health Group** from USA (226 B\$); **AXA** from France (132 B\$); **Allianz** from Germany (113 B\$); **China Life Insurance** from China (97 B\$); and **Munich RE** from Germany (64 B\$).

As the global markets recover from the COVID-19 pandemic, some factors are defining the future growth across the insurance sector:

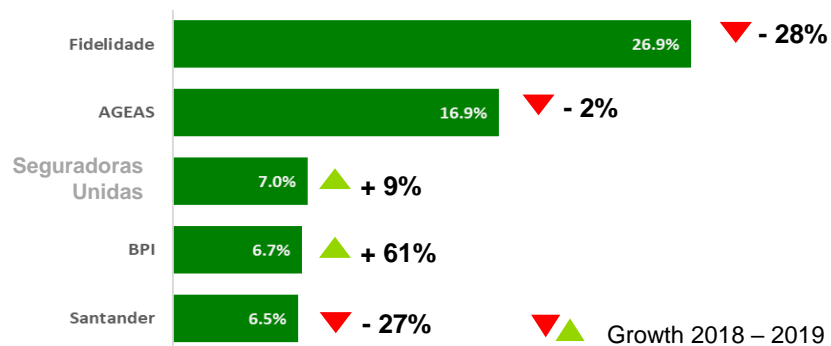
- **Economic recovery**, during 2021, is **highly expected**;
- Not only **individual** but also **commercial** customers will **demand more insurance solutions**;
- The insurance sector **did not suffer many economical damages**, nor **reputational**.

Tranquilidade is the 3rd largest player operating in the Portuguese insurance market, growing above average, with brokers and agents being the most relevant distribution channel in the it.

C.2. Diagnosis | Industry Overview (I/V)

- The top 5 players in the Portuguese insurance market are either **insurers** or **banks**, accounting for **63.9%** of the entire insurance market in Portugal (**Graph 1**).
- **International firms** are penetrating and disrupting the insurance industry in the Portuguese market.
- **Tranquilidade** was one of the insurance firms that was able to grow above market average, which sited at **- 5.1%**, in **2019**.
- The **market size** stood at **\$6.3 trillion (2019)**, representing a **2.9% real growth** of world insurance premiums (including Life and Non-Life insurance).
- Additionally, recent forecasts predict it will reach **\$6.92 trillion, by 2023**.

Top 5 Insurance Players in Portugal (2019)



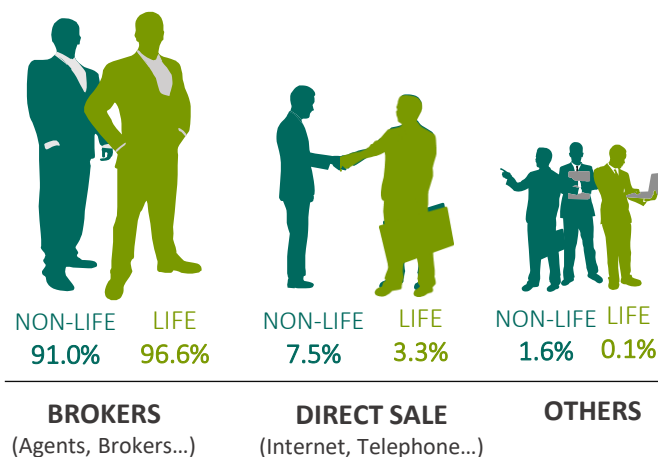
Graph 1 – The Top 5 Players in Portugal, ranked by market share, in 2019 | Source: APS (2019)



Info graph 2 – Number of firms, employees and brokers in Portugal | Source: APS (2019)

- The number of insurance **companies** operating in Portugal has been **growing**.
- The number of **employees** has been kept almost **constant**.
- Opposingly, the number of **brokers** has been **decreasing**.

(The data refers to the periods 2016-2018)



Info graph 3 – Proportion of distribution channel for Life and Non-Life insurance | Source: APS (2019)

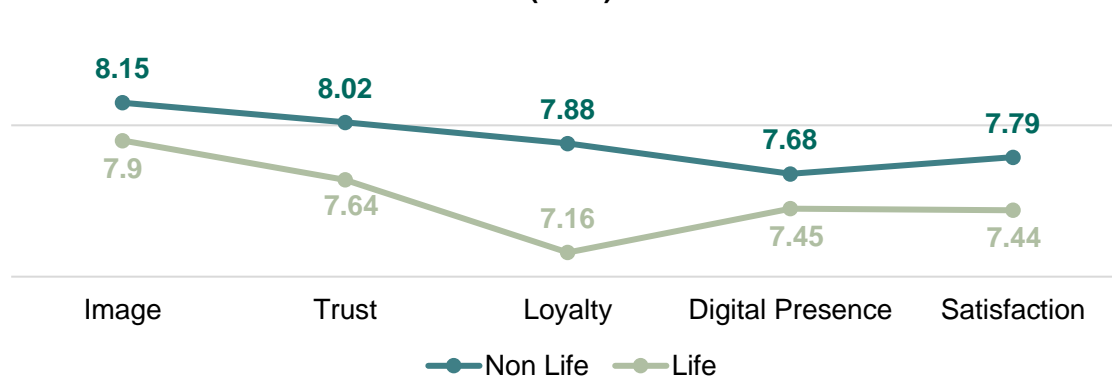
- Agents are the **most relevant distribution channel**, in the context of the total insurance market.
- They achieve almost **40% of the premium volume**.

The perceived value of both Life and Non-Life insurance products can be improved by insurers, in order to maximize the customer's levels of satisfaction and consequent loyalty level.

C.2. Diagnosis | Industry Overview (II/V)

Portuguese Market's Current Situation

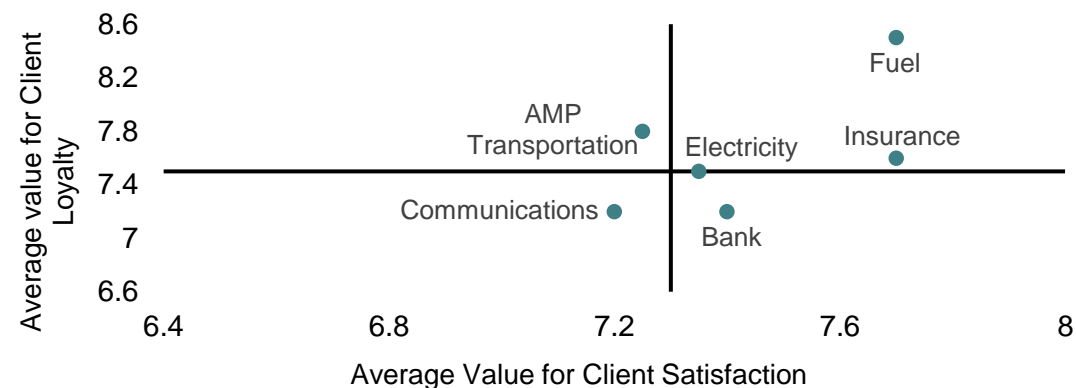
Average values for Life and Non-Life offer in the Insurance Sector (2020)



Graph 2 – Average values for Life and Non-Life offer, within the insurance industry, by 2020 | Source: ECSI Portugal (2020)

- There is a **mismatch** between the **perceived quality** of **Life** and **Non-Life** insurance products, which may imply that **customers' perception** of both a product's performance and attributes may be **affected by its price**.
- Non-Life** products are **better perceived**, namely in terms of **image** and **trust**, embodied in its **most frequency use** and **efficiency on problem-solving**.
- Life** insurance products register **lower values** than those of Non-Life, specially in **trust** and **loyalty**, due do their **reduced interaction** with the client.

Loyalty perceptual map



Graph 3 – Comparison between the Value for Client Loyalty and Value for Client Satisfaction, in several industries, by 2020 | Source: ECSI Portugal (2020)

- Different industries** in an economy register **disparate values** in **Average Value for Client Loyalty** and **Average Value for Client Satisfaction**.
- The differences between industries are mainly driven by a critical variable: the **frequency in use**, which directly impacts the **potential levels of variation** of the **client's loyalty and satisfaction** with the service provider.
- The **level of satisfaction** of insurance customers is **high**, with whom insurers can capitalize to **increase the loyalty rate** in the industry.

Tranquilidade is an insurance company that is present in the protection of both families and firms, delivering the quality of service they need whilst building a sustainable lifestyle together.

C.3. Diagnosis | Company Overview (I/II)

Tranquilidade

- Tranquilidade, founded in 1871, is one of the **largest insurance companies in Portugal**, with specialized products for individuals and companies, serving **1.875 million customers** (2019).

- For **B2C**, the product offers are divided in the following groups:



Life

(Risk and Financial)



Non-Life

(Auto, House, Health, among others)

- In **2020**, Tranquilidade was acquired by the Generali Group, which is one of the **biggest insurance and assets management company** in the world.
- Being part of the market leader insurance group, Tranquilidade follows three pillars: **social responsibility** (community, education, and prevention); **human resources** (through the management and motivation of Tranquilidade's talent); **partners** (building joint benefits and synergies).



50 countries

- Leader in Europe
- Growing in Asia and LATAM



▪ **72.000** Workers

▪ **61M** Customers



60,700 M€

Total Revenues in Insurance Premiums



The **Generali Group** acquired Seguradoras Unidas, which is composed by:

TRANQUILIDADE

AÇOREANA

LOGO®

- Before** the acquisition, in 2020, the three brands together – **Tranquilidade, Açoreana, and Logo** – detained **15.5% of market share** in the **Non-Life** segment, counting with **1.5 million clients**.
- The post-acquisition Group's goal is to **become a lifetime partner**, pursuing **8 main hallmarks**:

CUSTOMER

- B1 language and transparent processes
- Differentiating value propositions
- Human and caring experiences
- Mobile Hub (omnichannel experience)

DISTRIBUTOR

- Digital visibility
- Lead generation and management
- Needs-based advisory
- Paperless

Tranquilidade has a well-established position in the Portuguese insurance market, with a clear mission, vision and values, which are the basis of its achievements, and also with a significant social-impact in the community.

C.3. Diagnosis | Company Overview (II/II)

Company's Strategy

Mission

Understand the needs of our Customers and partners, and serve them by offering innovative and competitive insurance solutions, delivered in a personalized way, with agility and security, exceeding their expectations and generating long-term outside.

Vision

To be received by our Customers as one of the references in the market, through the offer and administration of integrated insurance solutions as well as excellence in service, quality of our professionals and innovation in the services provided.

Values

Our great differential is to sell tranquillity, along with transparency with the measures above all trust and security to our Customers. We are proud to offer the client a solid partnership, punctuality, commitment, ethics, transparency in processes and actions.

Achievements

18.7%

**Market Share
(Non-Life)**

2530 Points of Sale

- **80** Brokers
- **2100** non-Exclusive Agents
- **350** Exclusive Agents

75.8%

of its **Customers**
recommended the
Firm

Most awarded insurance firm in Portugal:

1st

Preferred brand of
insurance agents for
5 consecutive years.

*(Escolha dos Profissionais'
study, 2019)*

2nd

Second largest
Non-Life insurer in
the Portuguese
market.

3rd

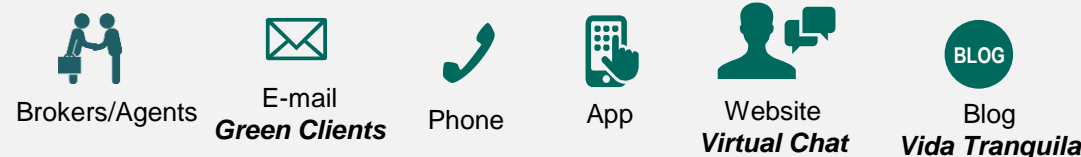
Step up to the
leadership podium
concerning **consumer**
recommendations.

Social Responsibility & Community Impacts

- Donations to Red Cross (amounted 18,000€) and to AMI (during the Christmas season).
- Advertising campaign to regional newspapers (totalling 24), when launching a new House insurance, providing a financial boost to the journals in need.
- Support the concerts of *Orquestra Sinfónica Juvenil*, annually.

Communication Channels

Besides its **physical points of sale**, Tranquilidade also offers a **wide range** of other types of **communication channels**:



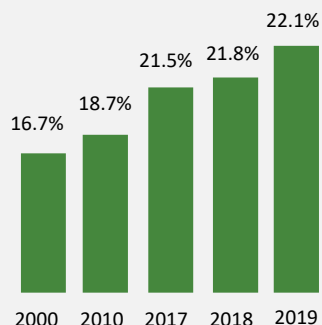
The aging of the population and a new family organizational model compel insurance companies to modify the way they create and deliver value to their customers, so last-long relationships can be built.

D.1.2. Analysis | External | STEEP+I (I/V)

Social-Demographic

- As stated in graph 4, the Portuguese population is aging. Between 2000 and 2019, the proportion of **people over 65 years old grew by 5.4%**, representing **22.1% of the total population in 2019**.

Portuguese Population over 65 years old



Graph 4 – Resident Population in Portugal over 65 years old | Source: Pordata (2019a)

- The **average age at first marriage** has been **increasing** over the years, having **expanded from 27 years old** (in 2000) to **33 years old** (in 2019).
- The number of **single-parent households** increased 74% in the last 20 years and 37% since 2010.

- Young Portuguese are renting houses instead of buying, with **one in six preferring to rent a house instead of buying**, largely due to their **financial inability** to pay for their own housing and inherent expenses.

- Portuguese youth **leave their parents' house** (on average, at 29 years old) **later** than the EU's average (26.2 years old).



Exhibit 7 – Average age young people leaving the parental household, 2019 | Source: Eurostat (2020)

- Between 2006 and 2019, the **average age to leave the parents' home** for Portuguese young people **increased** from **28.3** to **29.0**.
- More than **40% of young Portuguese adults**, between 25 and 34 years old, still **live with their parents**. Real estate prices, job opportunities, and financial disability are among the several reasons that justify this reality.

Impacts on loyalty in insurance

- An **aged population** has **different needs** and **values** that should be adapted by insurers, namely regarding solutions of **health, life, and retirement**, impacting the **rewards given** by firms.
- Changes in the **traditional family organizational structure** require insurance companies to **revise** their offer of **family-based insurance products**.
- The preferences of younger consumers will have an impact on the **services provided** by insurers in order to deliver a **new high-value proposition** and ensure **enduring relationships**.

The understanding of how to take advantage of new technologies whilst fostering significant collaborations with *InsurTechs* to leverage both competencies will be key to thrive insurer's sustainable long-term growth.

D.1.2. Analysis | External | STEEP+I (II/V)

Technological

- **Electric cars** represented 11% of the Portuguese automotive market in 2020, being the **5th country in Europe** with the highest percentage of their sales.
- The **COVID-19 pandemic** increased by **69% remote medical care**, in first semester of 2020, in Portugal.
- The European **smart housing** market **increased 20% in 2019** and is expected to **grow 14% globally until 2022**. **Millennials** are the most enthusiastic about it, with **38% having already opted for smart homes or installed this technology**.
- The number of **IoT devices** worldwide is forecasted to almost **triple from 8.74 billion in 2020 to more than 25.4 billion in 2030**.
- **New InsurTechs** are emerging, making use of **AI**, leveraging Big Data, and proactively investing in technology, challenging traditional insurance companies.

- **All age groups of customers** prefer the insurer's website for purchasing policies, with customers trusting more **online research** and **social advice** than their insurance agent/broker.



Info Graph 4 – Cyber attacks data in Portugal | Source: ComputerWorld (2020); Strongstep (2021)

- In Portugal, the total **number of cyber attacks increased by 17%**, in 2020, reflecting a **worrying global trend**.
- The country was a victim of 22,818 malware attacks, only in January 2021, which totalizes 31 outbreaks per hour.
- With an **increase of 45%**, in 2020, **hospitals** registered the highest variation of cyber attacks, justified by the hackers' objective of **stealing valuable personal data**.

Impacts on loyalty in insurance

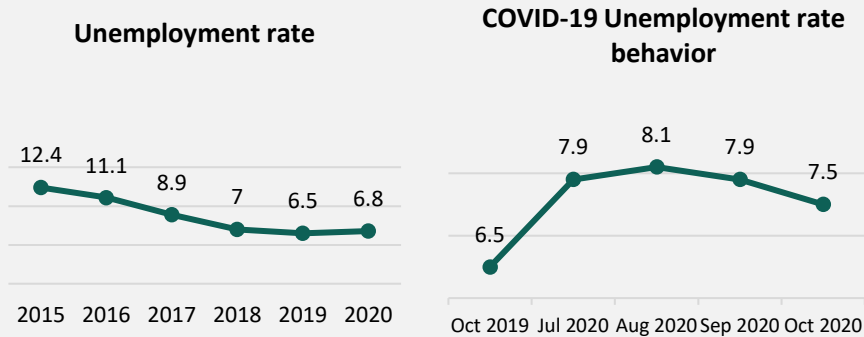
- The **incorporation of technology** in everyday life challenges insurers to **rethink their solutions** and ensure the benefits offered **meet consumer's needs and wants**.
- **IoT devices** and its **connectivity** allow insurance companies to offer **hyper-personalized** solutions to each customer, which promotes the creation of an emotional bond.
- Knowing customers' preference for **online channels** allows insurers to focus their presence in these channels and **create value**.
- The increasing number of cyber attacks might reveal a **new business opportunity** to insurers.

The current economical situation, mainly motivated by the pandemic context that is now showing signs of improvement, is having a negative impact on insurance demand whilst decreasing the attractiveness of insures' investments.

D.1.2. Analysis | External | STEEP+I (III/V)

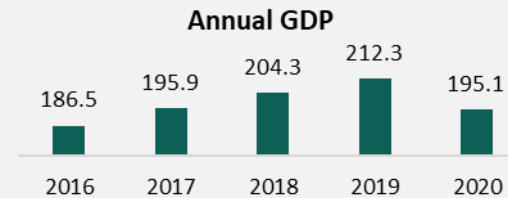
Economical

- The **unemployment rate** was **decreasing until 2019**, with the pandemic having a **negative impact** on such development, by **increasing** this rate to **6.8%**, in 2020. This figure is expected to **peak**, in **2021**, and further remain **above pre-COVID-19 levels** until 2022.



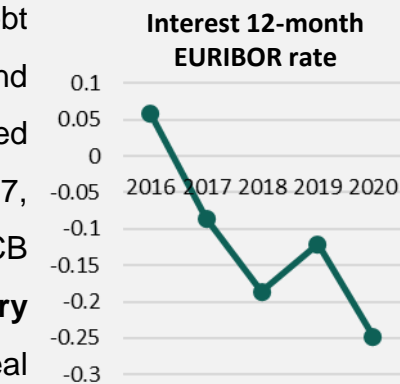
- Domestic demand** suddenly **dropped by 6.8%** in 2020, due to the **pandemic influence** on **willingness to buy**. Yet, it is expected to start **recovering** in **2021** and **reestablish** the pre-pandemic crisis levels by the **end of 2022**.

- The Portuguese GDP faced a **shift between 2019 and 2020**. However, the emergence of a **vaccine** represents a **sign of recovery** for the world economy, with the national GDP **recovering 5.2%** in 2021.



Graph 7 - Annual Portuguese GDP, in millions € | Source: INE (2021)

- Interest rates** on public debt achieved historically **low and negative levels**, aligned with its decrease since 2017, as a result of the ECB implementing **monetary stimulus measures** to deal with the pandemic.



Graph 8 - Interest 12 month EURIBOR rate, in % | Source: Euribor rates (2021)

Impacts on loyalty in insurance

- The rise of the unemployment rate and a lower willingness to buy will have a **negative impact on insurance demand**, inciting a **price-driven pursuit**.
- A **recession** environment **reduces trust in the government** and creates an **opportunity** for insurers to **develop products** that **restore the security** governments cannot provide.
- A large part of insurance profits come from **investments**, which implies that the **decreasing attractiveness of investments** due to low interest rate **negatively affects** the insurance industry.

The climate change and the inherent required efforts to battle it as well as the Political-Regulatory context have been impelling insurers to adapt their product offering that is based on prevention and active assistance.

D.1.2. Analysis | External | STEEP+I (IV/V)

Environmental

Current Situation

- **Climate change** has been identified as one of the **biggest social and economic threats** the planet and Humanity are facing, being still **undervalued in business decision-making**.
- Conversion to a **low carbon economy** is a current trend in Europe, mainly through **renewable energies** and **government financial incentives**.
- In Portugal, there is a spirit of **shared responsibility regarding recycling**, which increased 10% (between 2018 and 2019).

Impacts on loyalty in insurance

- **New approaches** are emerging, such as **resilience-financing structures**, through which businesses can invest in the **restoration of ecosystems** in return for a **reduction** in insurance **premiums** or **risk-financing costs**.
- Despite **risk coverage**, insurers should **invest** in **prevention** and **post-disaster recovery**, enlarging their **raid of action**, and **change the industry's negative image**.
- Offer **specific insurance products** for clean energy projects, green buildings, and energy efficiency.

Political-Regulatory

Current Situation

- Portugal signed the **Paris Climate Agreement**, which imposes limits to CO2 emissions, to achieve the **decarbonisation** of world economies and to limit the increase of the **global temperature**.
- EIOPA intends to **merge all insurers** in the EU area, to **share** the same **legislation** and **control**.
- **GDPR** was implemented, in 2018, with the objective of increasing individuals' **control of personal data** and **simplifying the regulatory environment** for international business in the EU.

Impacts on loyalty in insurance

- Apply **incremental friendly measures** across insurance activities, potentiating **long-term sustainable growth**.
- **Augmented transparency** in the insurer's product offering and its inherent policies.
- Increased **public confidence** that potentiates the enhancement of **customer trust** in the whole insurance industry.
- Improved **customer perception**, shaped by **direct and indirect variables** related with interactions with the product offering.

The insurance industry has been reinventing itself, mainly after the entrance of *InsurTechs*, leveraging on contemporary technologies that include AI, machine learning, and blockchain, intended to improve customer experience.

D.1.2. Analysis | External | STEEP+I (V/V)

Industry

- The performance of the market is forecasted to accelerate, with an anticipated **CAGR of 3.7%** for the five-year period 2020-2025, which is expected to drive the market to a value of **\$16.4 billion** by the end of **2025**.
- The **Portuguese insurance market** is expected to **remain unstable** and grow at a moderate rate. Portugal accounts for **0.9%** of the **European insurance market**.
- **InsurTech's** entry into the insurance market is reinventing the way insurance is offered and purchased, taking advantage of **innovative technologies**, such as **Artificial Intelligence, Machine Learning, and Blockchain**, in order to improve customer's experience and placing the consumer both at the center of their daily activities and their business decisions. *InsurTechs* are also concentrating their innovation efforts on **usage-based insurance, IoT, gamification, and micro-insurance**.
- The insurance industry has been increasingly moving to a **digital-based** product offering, potentiated by technology disruption and the entrance of background-diversified players, whilst also **shifting from a supportive to a preventive** business model.
- Consumers demand for **hyper-personalized insurance** products that match their own needs and preferences.
- Increasing demand for insurance products that cover the damages caused by **natural disasters** (like heavy rain, hurricanes, earthquakes, theft, or fire).
- **Consumer confidence** is one of the **main drivers of insurance spending**: if consumer confidence is low and household disposable income is high, then it is likely that consumers will buy at least one life insurance product.
- High levels of household disposable income alongside lower consumer confidence will **boost sales for insurance products**.

Impacts on loyalty in insurance

- The insurance industry is becoming more competitive with the entry of **InsurTechs**, obliging traditional insurers to adopt more **agile** and **adaptive** strategies, so they can **rapidly respond** to external threats.
- The emergence of data-driven technologies is enabling insurers to **assess risk** more **accurately** and faster, **preventing events** to occur in the first place, shifting from an **active role of risk mitigation** to an **approach of risk avoidance**.
- Insurers must offer **customized products** to meet customers' specific and individual needs.

The high bargaining power of suppliers and the competitive rivalry among the industry's players negatively impact the sector's profitability, despite the medium threat of substitutes.

D.1.3. Analysis | External | Porter's Five Forces (I/III)



Threat Of New Entrants

- Access to distribution channels: **High**
- Capital Requirements: **High**
- Legal Requirements: **High**
- Product Differentiation: **Medium**

Overall: **HIGH**



Bargaining Power Of Buyers

- Buyer Size: **High**
- Customer Loyalty: **Low**
- Information Access: **High**
- Price Sensitivity: **High**
- Switching Costs: **Medium**

Overall: **MEDIUM**



Threat Of Substitutes

- Buyer propensity to substitute: **Medium**
- Relative price performance of substitutes: **Medium**
- Switching Costs: **Medium**

Overall: **MEDIUM**



Bargaining Power Of Suppliers

- Backward Integration: **Low**
- Differentiated Input: **High**
- Size of Suppliers: **High**
- Supplier Switching Costs: **High**

Overall: **HIGH**



Competition Rivalry

- Entry Barriers: **High**
- Exit Barriers: **High**
- Industry Concentration: **High**
- Industry Growth: **Medium**
- Number of Competitors: **Medium**

Overall: **HIGH**



The high bargaining power of suppliers and the competitive rivalry among the industry's players negatively impact the sector's profitability, despite the low threat of substitutes.

D.1.3. Analysis | External | Porter's Five Forces (II/III)

Threat Of New Entrants

Threat of New Entrants relates to the extent a firm's position in the market can be affected by the entrance of new companies.

Distribution channels are easily accessible, despite their tight product margins, particularly in traditional ones, with e-commerce assuming a relevant preponderance in the short-term.

There are high **capital requirements**, mainly with R&D and advertising, to potentiate core expertise and the targeting of customers.

Legal Requirements have a high degree of legislation and compliance, at both national (by ASF) and European levels (e.g., Solvency II directive), creating a tangible barrier to entry.

Product Differentiation is medium, as product offerings are transversely similar, with only slight variations from what concerns coverages.

Bargaining Power of Buyers

Bargaining Power of Buyers concerns to easiness to which buyers can drive prices down and dictate the rules within the market.

Buyer Size is high, with SMEs (in the B2B segment) and individuals (in the B2C segment).

Due to the large pool of insurers, **customer loyalty** is low, with customers frequently changing insurers.

Individual and corporate customers have perfect **access to information**, namely in digital channels.

Price Sensitivity is the main driver for customers changing insurer, especially in legally mandatory products (e.g., automotive or housing).

The **switching costs** in insurance are mostly related with cancelling contracts to subscribe to the service of another company, also including costs with bureaucracy this changing process.

Threat of Substitutes

Threat of Substitutes refers to the likelihood of a firm's customers finding a different way of satisfying their needs with a product from another company.

Buyer propensity to substitute is primarily driven by premium and coverages of insurance products, with the change occurring when the client's interests are not properly safeguarded.

The **relative price performance of substitutes** is often considered by consumers when choosing an insurance product, through a cost-benefit comparison exercise between insurers' offers.

When changing insurer, a customer's **switching costs** are mostly related with possible indemnities that may have to be paid to the company that sees the contract being terminated and also bureaucratic costs related with the change.

The high bargaining power of suppliers and the competitive rivalry among the industry's players negatively impact the sector's profitability, despite the low threat of substitutes.

D.1.3. Analysis | External | Porter's Five Forces (III/III)

Bargaining Power of Suppliers

The **Bargaining Power of Suppliers** analyses the power and control a firm's supplier has over the potential to raise its prices or to reduce the quality of goods and services that are purchased, which in turn lowers the industry's profit potential.

Backward integration of either software or ICT companies is very unlikely to happen, as it would have as a direct consequence the increase in immediate costs.

Software companies are able to offer a high **degree of differentiation**, by providing tailormade software to the insurers' needs and respective contracts, which enhances supply power.

The **size of suppliers**, namely reinsurers, such as Munich RE or Swiss Re, whose dimension is particularly relevant as it is large, have high negotiating power.

Changing suppliers, especially those that are related with IT, imply high **switching costs**, not only from what concerns the shift in operating systems but also teaching staff on how to work and manage new ones.

Competition Rivalry

Competition Rivalry examines the intensity of current competition in the marketplace, which is mainly determined by the number of existing competitors. The **entry barriers** are composed of legal requirements, namely capital adequacy that serves as a preventive mechanism from insurers going out of business to protect policyholders.

As a consequence of the entry barriers, there are high **barriers to exit**, so that the biggest players, in the case of an economic downturn, can adopt strategies to retain clients and resist to the storm, which enhances rivalry.

In Portugal, the market is characterized by a high **concentration**, given that the four largest players have a **combined market share of 57.5%** (APS, 2019), with a large customer pool and relevant reputation.

The **worldwide insurance industry** is one that has been **growing** at a respectable pace of **2.9% real growth** (APS, 2019).

The rising **number of competitors**, namely *InsurTechs*, has been creating an increasing number of challenges to both incumbents and new players, with new ways to sell and interact with insurance products.

Three of the most relevant and influential insurance companies in Portugal exhibit peculiar strengths that enable them to build competitive advantage and differentiate themselves in the market, particularly due to their innovation efforts.

D.1.4. Analysis | External | Competition Analysis

FIDELIDADE
SEGUROS DESDE 1808



Allianz

Company Overview	<ul style="list-style-type: none"> Ok! Teleseguros, Multicare, and Fidelidade Property are all part of Fidelidade International presence in 10 countries Market leader with 26.9% of market share Number of agents: 8,000 	<ul style="list-style-type: none"> Ocidental, Médis, and Seguro Direto are the two most important brands Belgian group with presence in 14 countries Market share of 16.9% Number of agents: 2,722 	<ul style="list-style-type: none"> German insurer (market leader in Germany) Presence in 70 countries (in Portugal since 1999) Market share of 5.1% Number of agents: 6,000
Points of Differentiation	<p>Focus on innovation</p> <ul style="list-style-type: none"> Launch of “Just in Case” app for on-demand travel insurance Protechtig: startup accelerator program design to support solutions on prevention and protection EFMA 2020 Global Innovator Company 	<p>All-around strategy</p> <ul style="list-style-type: none"> Mundo Ageas: online platform that connects its clients with service providers Joint venture with Kleya – a project that helps foreigners establishing in Portugal “Ageas Foundation”: Social responsibility 	<p>Sustainability concerns</p> <ul style="list-style-type: none"> Decision to exclude insurance related with goods, properties, and investments that are associated with coal until 2040 Acquisition of solar plants, aligned with strategic orientation to be “green”
Loyalty	<ul style="list-style-type: none"> Vitality: loyalty program designed by a start-up with the same name (now under Generali Group) that focuses on promoting healthy behaviours to Fidelidade Multicare’s (its health division) clients 	<ul style="list-style-type: none"> “Mundo Ageas”: Ageas has developed a loyalty initiative in the form of ecosystem of services that aims to provide all-around beyond insurance services to Ageas’s clients 	<ul style="list-style-type: none"> Allianz does not have any active dynamic or initiative in the context of promoting loyalty, whose goal is to foster a deeper connection in the long-term with its clients

Tranquilidade focuses on supporting businesses and individuals as well as local initiatives, now broadening its scope of positive impact through the integration in a social-impact driven business Group (Generali).

D.2.1. Analysis | Internal | Company's Distinctive Features

Generali Group



The **Generali Group** has significant **concerns with sustainability**, putting these principles into practice by **monitoring and reducing their direct impact**, linked to the Group's **operational activities**, namely to its **products, services, and investments**, whilst collaborating with **governments and associations**. Some of the initiatives include:

- Reduce gas emissions up to 55% until 2030, within the European Zone, following the European Union's pledge.
- **Integration** in both **Dow Jones Sustainability World Index (DJSI)** and **Dow Jones Sustainability Europe Index (DJSI Europe)**, recognizing the on-going efforts, where the investments based on ESG criteria are included.
- Commitment to enhance the portion of **premiums come from green products** by 7% to 9% in the next three years (until 2023) and also allocate the amount of 4.5B€ to ESG investments.
- Launch of a differentiated product offering – **Responsible Consumers** – and an award that rewards the most sustainable SMEs – **EnterPRIZE**
- Expand the **Human Safety Initiative**, whose focus is on transforming the lives of disadvantaged countries and communities.

Tranquilidade



Tranquilidade has implemented a **set of initiatives** that are aligned with its **sustainability concerns**, working as **distinctive features**.

Social Responsibility Initiatives

- 18,000€ donated to the **Portuguese Red Cross**, resulting from the sales of COVID-19 health insurance (B2B product for companies).

Support of arts, culture, and local businesses

- **Advertising campaign**, related with the new House insurance product, to 24 **regional newspapers**, in order to provide **financial relief** to these media outlets located outside urban centers.
- Annual financial and **sponsor** support to Orquestra Sinfónica Juvenil's

Vida Tranquila Blog

- **Digital space** focused on providing **life advice on non-insurance topics**, information on **financial topics**, and **support** on frequent **insurance doubts**.

Innovation capabilities

- **3-year strategic plan** to invest 500M€ in digital transformation.
- Already two **annual employees' meeting** with the participation of over 4,200 people, having won the **APCE prize** for the best external digital event.

Tranquilidade, aligned with its strategic focus on digital, has diverse under development and existent platforms working separately towards a common objective, which could benefit from being integrated to reach full potential.

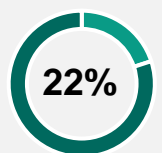
D.2.2. Analysis | Internal | Initiatives Overview

Website



Tranquilidade's **website** can be found at *tranquilidade.pt*.

- The website has available a **Client Area**.
- It **allows the User** to:
 - ✓ Connect with the insurance agent;
 - ✓ Control and make payments;
 - ✓ Manage and buy policies;
 - ✓ Report claims;
 - ✓ Virtual assistant.
- The platform will also allow to **sell insurance online**.



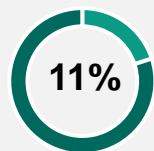
% of Tranquilidade's client base using website (October 2020)

Mobile Hub



The **Mobile Hub** of Tranquilidade is an app **under-development**.

- It aims to **integrate Generali's app with Tranquilidade's** current mobile app.
- Mobile Hub **allows the User** to:
 - ✓ Connect with the insurance agent;
 - ✓ Control and make payments;
 - ✓ Manage and buy policies;
 - ✓ Report claims;
 - ✓ Virtual assistant.
- The platform will also allow to **sell insurance online**.



% of Tranquilidade's client base using the app (October 2020)

Lead Management Tool



The **Lead Management Tool** is a mechanism used by Tranquilidade to **identify and prospect potential clients**.

- The **Lead Management System** is based on **Service Level Agreements (SLAs)**, which discloses two relevant topics:
 - ✓ The **lead** that is **allocated** to each of Tranquilidade's **agents**;
 - ✓ The **response timeframe** that the agent should pursue and the **required actions** to undertake to successfully do so.

Integrated Online Selling



Tranquilidade has under development a **software to be integrated with its current digital platforms**.

- It is intended to have an **online simulator for each isolated insurance product**, which allows to **purchase insurance** from Tranquilidade's **digital channels**.
- The insurance coverages available in an **Integrated Online Selling (IOS)** platform are **limited** compared to the options accessible when **buying insurance products with an agent**.

The Porter's Value Chain Model was adapted to the insurance industry, in order to comprehend the influence of Tranquilidade's actions in value creation.

D.2.3. Analysis | Internal | Porter's Value Chain Model (I/II)

Porter's Value Chain Model – Insurance Industry

- The **Value Chain Model** is a business model that comprises all activities needed from the production until the final product/service. Its analysis has the purpose of **increasing efficiency**, in order to **maximize the value creation** for the **least possible cost**. (Porter, 1985)
- Since this model was made for overall industries, the Team had the need to adapt it to the insurance scope from KPMG (2020), as a way to better analyse **Tranquilidade's value chain**.

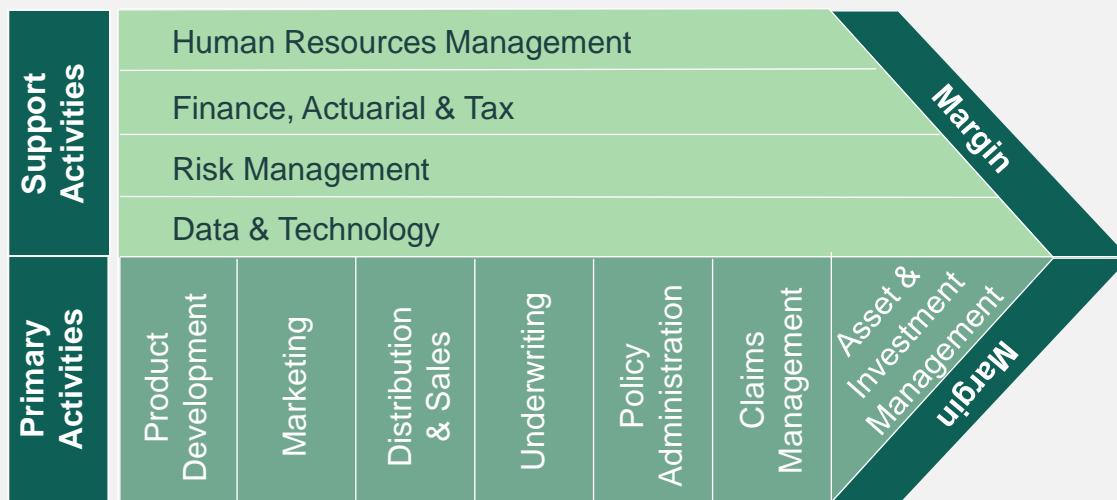


Exhibit 8: Insurance adaptation of Porter's Value Chain Model | Source: KPMG (2020)

Support Activities

- **Human Resources Management:** concerns the management of human capital. Tranquilidade built and sustains an **effective management of people and teams**, namely by continuously motivating its talent, which is aligned with the firm's strategic pillars. The Firm also aims to create value promote organizational pride, by engaging with social responsibility, tackling three different action areas: **community, education, and prevention**.
- **Finance, Actuarial & Tax:** comprises managing as well as reporting on finances, such as, **financial planning, tax and actuarial**. By implementing **technology disruptors**, specifically **InsurTech/AI**, Tranquilidade can **leverage its value creation and reduce its costs**.
- **Risk Management:** includes the development and implementation of strategies, in order to **evaluate, manage, and diminish losses**, being therefore able to reduce its **exposure and preventing higher losses**.
- **Data & Technology:** covers the **management, monitorization, and secure** of **IT set-up**, such as hardware, networks, and data. Tranquilidade already includes **digital disruption** in its daily business (e.g. AI and clients' data tracking), creating relevant and sustainable value.

The Porter's Value Chain Model was adapted to the insurance industry, in order to comprehend the influence of Tranquilidade's actions in value creation.

D.2.3. Analysis | Internal | Porter's Value Chain Model (II/II)

Primary Activities

- **Product and Service Development:** from the design to the development and market implementation of products and services. Tranquilidade has several departments who joint work, in order to **collect and analyse consumer data**, to better **shape and personalize** its products/services to meet consumers' needs, hence being the insurer is the **2nd largest Non-Life insurer in Portugal**.
- **Marketing:** through **brand management, advertising, and customer engagement**. Tranquilidade's marketing team is able to **drive and boost sales**, through **clear and trustworthy messages**, pursuing a **customer-centric** approach. The Firm stands the **leadership podium in consumer recommendations**.
- **Distribution & Sales:** includes **market penetration strategies**. The Firm distributes and sells its products mainly through **agents and brokers**, who establish an **essential contact with consumers**. Bearing in mind that the **agent-based model will be stressed**, the insurance Company already offers **other channels** as an **alternative to agents**, such as **contact centre, website, and app**.
- **Underwriting:** by **analysing the risk profiles** as well as **premium pricing models**. Tranquilidade is able to easily **assess risk exposure** and **market opportunities** through its **consumers' data analysis** and **AI**.
- **Policy Administration:** considers the **management of administrative activities**. Tranquilidade is able to achieve **cost efficiency** through **its digital adaptation**, leading to **process automation opportunities**.
- **Claims Management:** with regards to **claims evaluation** and **settlement**. Tranquilidade is able to leverage its **automation processes** by **handling claims digitally**, resorting mainly to **AI**.
- **Asset and Investment Management:** **investment and management of assets** from **policyholder surplus and reserves**. Despite its main sources of revenue being **premiums** and **other revenues** from insurance activities, the Firm is also able to leverage the investment on assets.

Key Takeaways

Main challenges on value creation, through customer loyalty:

- 1) Understand the **market** and **consumers' needs**.
- 2) **Marketing** and proper **promotion** to **boost loyalty**.
- 3) Take advantage of **digital channels** and other **tech features** to better **communicate and engage** with consumers .

The Resource-Based View was used to analyse Tranquilidade's sustainable competitive advantages, in order to prioritize these VRIO resources within the Company's business strategy.

D.2.4. Analysis | Internal | Resource-Based View (I/IV)

RESOURCE-BASED VIEW

The **Resource-Based View** (RBV) is a strategy used to **analyse the elements of the business** for achieving a **long-term competitive advantage**. It emerged during the 1980s and 1990s, following the works of Birger Wernerfelt, Prahalad and Hamel, and others. The RBV model implies an **internal analysis of resources and competencies** the firm has already available that can exploit new opportunities. These (VRIO) resources must be prioritized within the organizational strategy.

RESOURCES PLATFORM



COMPETENCES

Refers to not only the organizational capabilities but also know-how and knowledge accumulation.



STRATEGIC RESOURCES

Tangible or intangible resources that is not or hardly available to the competitors due its idiosyncratic characteristics.



ARCHITECTURE OF RELATIONS

Internal and external network of relations that provide knowledge creation for the firm and its members as well as flexibility and adaptability.

VRIO CRITERIA

Strategic Importance



VALUE: enables a firm to exploit an opportunity or mitigate an external threat.

Relative strength



RARITY: can only be acquired by one or very few companies.



INIMITABILITY: hard and costly to imitate or substitute.



ORGANIZATION: the firm is organized to exploit these resources and capture the value.



	V	R	I	O	
	✓	✗	✗	✓	Competitive Parity
	✓	✓	✗	✓	Temporary Competitive Advantage
	✓	✓	✓	✓	Sustainable Competitive Advantage

Tranquilidade's main sources of competitive advantage are its brand reputation in the Portuguese insurance market and the newly employed customer-centric culture brought by Generali Group.

D.2.4. Analysis | Internal | Resource-Based View (II/IV)

RESOURCE	DESCRIPTION	VALUABLE	RARITY	INIMITABILITY	ORGANIZATION	RESULT
Architecture of Relations						
Parent company	Acquisition by Generali, which is one of the biggest insurance groups in the world.	It will enable access to new risk and innovative solutions, increasing scale and efficiency.	Tranquilidade is the only player in Portugal that has created a firm relationship with a top global player.	Synergies already created between both parties and the merging process are very costly to imitate.	Group's support allied with local autonomy allows Tranquilidade to keep exploiting resources with relevant capabilities.	Sustainable Competitive Advantage
Network of providers & partnerships	Tranquilidade has been able to establish key partnerships, namely with Advance Care and Europ Assistance.	Partners have a deep knowledge on their services and products that allow Tranquilidade to leverage the quality provided.	Competitors also have similar partnerships and service providers.	There are no substantial barriers that prevent competitors to imitate the established partnerships by Tranquilidade.	Partnerships allow Tranquilidade to provide a wide number of services, covering customers' needs and potentiate retention.	Competitive Parity
Strategic Resources – Tangible						
Product Portfolio	Tranquilidade has a wide product offer, being a potential one-shop solution for all likely insurance needs.	Having a wide variety of insurance products gives flexibility and convenience to its Customers, by have all insurance under the same brand.	There are more players in the market offering insurance products that cover needs from diverse categories.	Competitors with a limited product portfolio might also expand their product portfolio and integrate it.	Tranquilidade's diverse product portfolio enables the company to serve a wide number of customers and cover more customer needs.	Competitive Parity
Omni-channel distribution	All-in-one channel provides consumers a consistent experience across all digital (app, website) and non-digital (agent/brokers) distribution channels.	Essential to provide a better customer experience and satisfy all different segment's expectations.	Currently, omnichannel experience are only provided by top market leaders of the industry.	Other competitors, despite their market size, might also start to integrate their distribution channels the entire customer journey.	A great part of the company's customer-centric strategy, comes from providing a better customer experience in which omnichannel distribution is critical.	Temporary Competitive Advantage

Legend: ■ Criterion validated ■ Criterion not validated

Tranquilidade's main sources of competitive advantage are its brand reputation in the Portuguese insurance market and the newly employed customer-centric culture brought by Generali Group.

D.2.4. Analysis | Internal | Resource-Based View (III/IV)

RESOURCE	DESCRIPTION	VALUABLE	RARITY	INIMITABILITY	ORGANIZATION	RESULT
Distribution Network	Tranquilidade heavily relies on agents and brokers.	Agents and brokers are still the most relevant distribution channel in the insurance market and potentiate a closer relationship.	The Portuguese insurance market is strongly characterized by a physical distribution through agents and brokers.	Other players can easily expand their physical distribution through a network of agents and brokers.	Having a large distribution network enables Tranquilidade to cover a wide geographical area and potentiate a meaningful long-lasting relationship with clients.	Competitive Parity
Brand Reputation	Tranquilidade is a respected brand with a solid reputation in the market.	A solid reputation in the market convey experience, knowledge, and seriousness.	Only a few top players in the market (Fidelidade) as such a solid reputation.	Tranquilidade has created its solid reputation over the last 150 years, which takes time to reach and is hardly replicated.	Its prestige and solid reputation strengthens Tranquilidade's positioning in the market.	Sustainable Competitive Advantage
Brand Awareness	Tranquilidade has 150 years having building a strong awareness across generations in the Portuguese market throughout time.	High brand awareness enables Tranquilidade to be one of the top-minded brands in consumers' mind.	This brand awareness was created due to a lasting presence in the market and a successful marketing and communication strategy.	Competitors can boost their brand awareness through effective marketing and communications campaigns.	A high brand awareness enables Tranquilidade to attract new customers.	Temporary Competitive Advantage
Customer Centricity	Customers are the core of the Company's business and it is reflected in its strong reputation.	By focus on customer analysis and offering meaningful products that serves customers particularly need, Tranquilidade nurtures brand trust and reputation.	Even though most players might follow a customer-centric approach, only top players have the resources to successfully implement it.	Follow a customer-centric strategy is a constant and continuous path that leads to a strong brand reputation.	Tranquilidade's achievements reflect the success of a customer-centric strategy.	Sustainable Competitive Advantage

Legend: ■ Criterion validated ■ Criterion not validated

Sources: Resource-Based View framework; Team based.

Tranquilidade's main sources of competitive advantage are its brand reputation in the Portuguese insurance market and the newly employed customer-centric culture brought by Generali Group.

D.2.4. Analysis | Internal | Resource-Based View (IV/IV)

RESOURCE	DESCRIPTION	VALUABLE	RARITY	INIMITABILITY	ORGANIZATION	RESULT
Organizational Competencies						
Marketing & Communication	Innovative campaigns with emotional and meaningful messages that boost brand engagement.	Highly investment in outstanding marketing campaigns and advertisements.	Just top market players (like Fidelidade and Ageas) have Marketing Departments and similar level of resources to achieve Tranquilidade's level.	Other market players may also improve their marketing and communication through innovative and creative strategies.	An effective marketing and communication, throughout the 150 years of existence, enables a continuous brand awareness and recognition.	Temporary Competitive Advantage
Human Resources	High-skilled, motivated, and well managed staff with diverse backgrounds are key Company's resources and are part of Tranquilidade's pillars.	Engaged and highly motivated employees result in an outstanding teamwork.	Major top players also concern in having top teams and balanced work environment.	There is no barrier to establish valuable work conditions nor to contract top talent.	HR department is highly focused not only on hiring top talent but also motivating and managing the current staff, increasing efficiency.	Competitive Parity

Legend: ■ Criterion validated ■ Criterion not validated

KEY TAKEAWAYS

In order to continue achieving good results and remain a top player in the insurance Portuguese market, Tranquilidade should focus on its sustainable competitive advantages: **1) Parent Company; 2) Brand Reputation; and 3) Customer-centricity.**

By prioritize these VRIO resources, leveraging its brand reputation in the Portuguese market, taking advantage of resources of the global Generali group, and embracing a customer-centric approach grounded on deep customer knowledge and continuously analyzing customer data, Tranquilidade can add value to its customers through a targeted, customized, and meaningful offer, becoming a lifetime partner to them..

The McKinsey 7Ss framework was applied to Tranquilidade, with the purpose of better understanding the internal ability to change to a more customer-centric culture.

D.2.5. Analysis | Internal | McKinsey 7S (I/II)

McKinsey 7S

- The **McKinsey 7Ss framework** is a strategic tool much used to **analyse a company's internal organization** as well as the interaction between the seven key elements of the framework, i.e., the 7S, namely: **structure; strategy; skill; system; shared values; style; and staff.**
- These referred elements are divided in two different groups – **hard** and **soft**. Nonetheless, there is an **interconnection** between them and, by changing one element, all other elements are modified as well.
- **Shared values** is the central element, since it is crucial and fundamental for the foundation and sustainable growth of an organization.

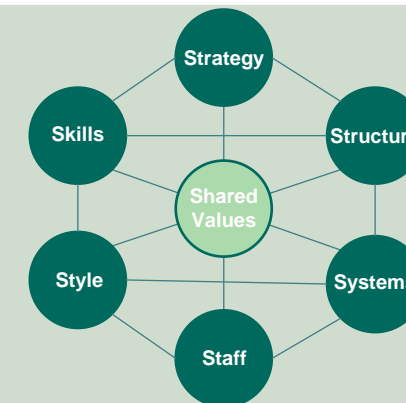


Exhibit 9: McKinsey 7S's Framework

Hard Ss Analysis

- **Strategy:** it refers to a well-arranged business plan that allows the Company to formulate an action plan to achieve a sustainable competitive advantage, reinforced by the Company's mission and values. Since Generali Group has a **customer-centric culture**, now Tranquilidade shall adapt its strategy to it, with the major goal of becoming a **lifetime partner** for its consumers. The Firm operates in the Portuguese market and it is specialized in products both for individuals (**B2C**) and companies (**B2B**), with offers in the **Life** and **Non-Life** segments. However, it must surpass the transactional relationship, in order to be seen as all-around partner.
- **Structure:** it mentions the way a company is organized, from the chain of command until the responsibilities' relationships. The organizational structure of Tranquilidade follows the **hierarchical traditional structure**, as the majority of the players in the industry. Nonetheless, the Firm is now part of an international group – the Generali Group –, which causes some changes to its previous structure. The Firm is presently improving the **departments' autonomy**, in order to **simplify the communication between the different areas.**
- **Systems:** comprises the **business** and **technical infrastructure** of the company that establishes **workflows** and the **process of decision-making**. At the moment, Tranquilidade processes are well established technical infrastructures that not only provide information but also support a better workflow.

The McKinsey 7Ss framework was applied to Tranquilidade, with the purpose of better understanding the internal ability to change to a more customer-centric culture.

D.2.5. Analysis | Internal | McKinsey 7S (II/II)

Soft Ss Analysis

- **Skills:** establish a company's competencies and abilities that **qualify and support all workers** to surpass challenges and achieve their goals. Tranquilidade **continuously hires and maintains high qualified and very experienced work force**, allowing the Firm to achieve its goals at an internal level. Despite their human resources, the Firm also has the need to **hire external staff for specific services**, such as **auditing, IT, and marketing and communication**. These outsourced services are usually hired when the Firm seeks for a very **specific expertise** or because it is **more feasible financially**.
 - **Style:** the attitudes and approaches of **senior employees** in a firm **institute a code of conduct** through their interactions and methods towards the decision-making process, which establishes the **management style of its leaders**. Tranquilidade follows a **traditional and hierarchical culture**, and therefore all decisions are taken by the top management, which can be characterized as having a transactional style. The **firm's leadership is results-oriented**, providing an effective structure for big corporations, which is the case of Tranquilidade. Nevertheless, contrarily to the transformational leadership, it may create a **barrier for the flow of creativity and innovation**.
 - **Staff:** comprises **talent management** and all human resources related to company decisions (e.g. training, recruitment; benefits; and rewards). Tranquilidade has a great focus on their **workers' welfare** as well as their **professional growth**, hence the Firm **highly invests on mandatory and optional training**.
 - **Shared Values:** the **mission, strategic goals, and values** arrange the basis of any organization and have a crucial role with regards to the alignment of all key elements, in order to keep an effective organizational design. Tranquilidade has core values, namely: **ownership; innovation; simplification; and transparency** (in all business processes), having a great **commitment** with all stakeholders.
- Despite Tranquilidade's structure being **traditional and hierarchical**, typical of the industry, it is **currently adapting and adjusting to the new culture** of the Generali Group – customer centred. Moreover, the company is becoming more and more **receptive to innovation and creative solutions**.

Tranquilidade can leverage its strengths and focus on internal points of improvement to take advantage of external opportunities whilst mitigating environmental threats.

D.2.6. Analysis | Internal | SWOT & TOWS (I/II)

A **SWOT analysis** is a realistic, fact-based, and **data-driven framework** used to evaluate a **company's competitive position** and to further **develop the appropriate strategy planning**, by **assessing internal and external factors** as well as current and future potential.

STRENGTHS

- S1.** Large and experienced distribution network with over 2,000 points of sale across Portugal composed of an agent force with deep customer knowledge.
- S2.** Wide product portfolio, with solutions for all life stages.
- S3.** Brand awareness, by being one of the top-of-mind insurance companies in the Portuguese market.
- S4.** Strong reputation, which has been built over 150 years and reinforced by the business association with an international leading insurer (Generali).
- S5.** Investment in innovation to use it as a differentiation factor and build relevant competitive advantages.

OPPORTUNITIES

- O1.** The acquisition by Generali brought a new customer-centric culture, possible multi-level synergies, and financial funds.
- O2.** The industry's dynamic technological landscape grants potential for improvement, including partnerships with digital-based companies to leverage core competencies.
- O3.** Portuguese customers are becoming more digital, being an opportunity for Tranquilidade to leverage engagement with them through these networks.
- O4.** Omnichannel in customer interaction has become a trend in the insurance industry, so there is an opportunity to interconnect all channels – physical and digital – and create a single ecosystem between service provider and customer.

WEAKNESSES

- W1.** Some insurance products are above market price (auto insurance, for instance).
- W2.** Majority (percentage) of customer-base are single-product clients.
- W3.** Business is heavily dependent on agents and similar, not properly leveraging digital platforms to target the customers of the future.
- W4.** Feeble presence on social media, despite there are already plans to start actively contributing to potentiate customer interaction and engagement via these platforms.
- W5.** Rigid hierarchical structure and ageing workforce may threaten the Firm's transformation and bottom-up innovation, slowing its change pace.

THREATS

- T1.** The immediate economic effects of COVID-19's pandemic will impact customers' willingness to pay, particularly for non-essential insurance products.
- T2.** Established players are heavily investing in innovation and new digital-based firms (*InsurTechs*) are emerging in the market.
- T3.** Customers are increasingly more demanding, with traditional insurance business falling behind their expectations.
- T4.** Historically, the insurance industry has not well managed to attract young human resources, which could be an obstacle to the implementation of the required digital transformation that impacts multiple dimensions of companies.

Tranquilidade can leverage its strengths and focus on internal points of improvement to take advantage of external opportunities whilst mitigating environmental threats.

D.2.6. Analysis | Internal | SWOT & TOWS (II/II)

		Strengths	Weaknesses
		<p>S1: Large and experienced distribution network</p> <p>S2: Wide product portfolio</p> <p>S3: Brand awareness</p> <p>S4: Strong reputation</p> <p>S5: Innovation efforts</p>	<p>W1: Some products are above market price</p> <p>W2: Majority of customer-base are single-product clients</p> <p>W3: Business is heavily dependent on human interaction</p> <p>W4: Feeble presence on social media</p> <p>W5: Slow change pace</p>
Threats	<p>T1: Immediate economic impacts of COVID-19</p> <p>T2: Capable competitors</p> <p>T3: Increasingly demanding customers</p> <p>T4: Difficulty to attract young human resources</p>	<p>(S2, S5 T1)</p> <p>The product portfolio, in order to diminish the impact of the pandemic and better face current challenges, should be innovated and adapted.</p> <p>(S1, S4, S5 T2, T3)</p> <p>Tranquilidade's large and experienced distribution network as well as its reputation and smart investments in relevant innovation will be key to mitigate both new players entering the market and customers who are increasingly more demanding.</p>	<p>(W1, W2, W3 T1)</p> <p>The effect on the above market prices of some of Tranquilidade's products might be accentuate by the economic impact of the pandemic, which may consequently lead to the increase of single-product clients.</p> <p>(W5 T2, T3, T4)</p> <p>The Firm's slow change pace, as a consequence of a set of relevant drivers, may place Tranquilidade behind current competitors and future capable incomers, potentiating its inability to properly fulfill the demanding customers' expectations.</p>
	<p>O1: Acquisition by Generali</p> <p>O2: Technological landscape</p> <p>O3: Digital channels as a vehicle of engagement</p> <p>O4: Omnichannel in customer interaction</p>	<p>(S1, S2, S3, S4 O3, O4)</p> <p>Tranquilidade's internal attributes and resources grant the Organization to leverage on the increasing technological landscape, particularly by fostering omnichannel in customer interaction.</p> <p>(S5 O1, O2)</p> <p>The synergies than can be created between Tranquilidade and Generali – with the first seeing innovation as a differentiation driver and the second with the key resources to materialized it – are fundamental to take advantage of the industry's dynamic technological landscape, in order to build a customer-centric approach with an innovative product offering.</p>	<p>(W1, W2, W5 O1)</p> <p>The acquisition by Generali will generate potential opportunities to diminish the impact that Tranquilidade's weaknesses can originate, by, for instance, reducing prices as a direct cost synergy to strengthen the Life segment and increase the pace of change.</p> <p>(W4, W5 O2)</p> <p>The industry's dynamic technological landscape should be one of the main drivers to incentivize a faster pace change, which can be materialized on the investment on an effective social media presence by partnering with relevant entities to leverage expertise.</p>

More than 50% of Tranquilidade's clients are aged between 44 and 74 years old, with Green Clients having a higher number of policies. Hence, Tranquilidade should boost Green Clients conversion as well as target younger individuals.

D.2.7. Analysis | Internal | Portfolio Analysis (I/II)

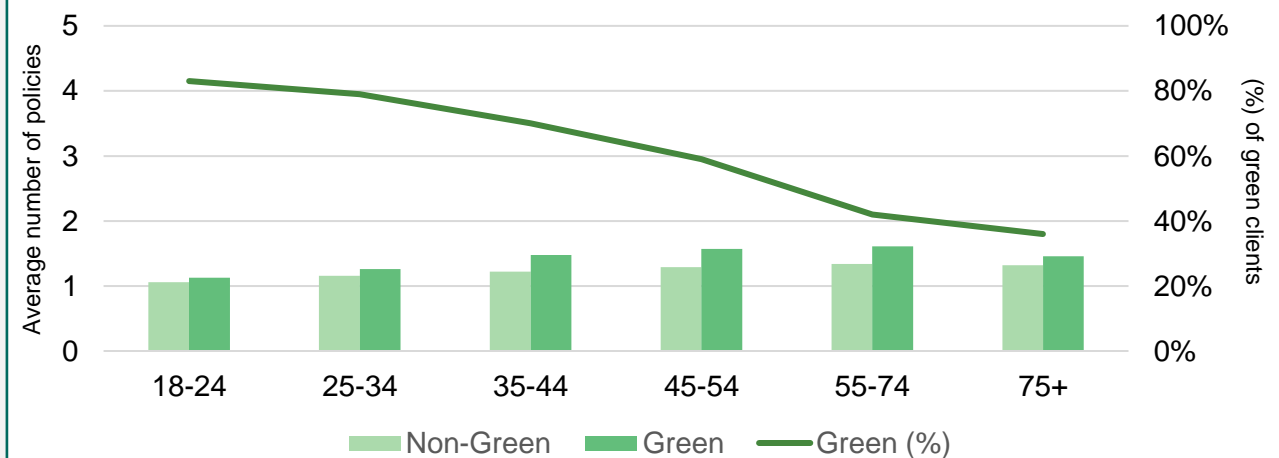
Characteristics of Tranquilidade's Client Base by Age Group						
	18-24	25-34	34-44	45-54	54-74	75+
% of client-base	2%	10%	17%	20%	33%	18%
Number of policies per client	1.2	1.3	1.5	1.6	1.6	1.5
Average premium per policy (€)	267	205	188	195	196	176
Average premium per client (€)	289	247	252	277	283	244

Table 1: Characteristics of Tranquilidade's client base by age group | Source: Client's Internal data

- Green Clients' representativity decreases as clients get more mature, which can be explained with the lack of technological trust or skills, for instance.
- Tranquilidade's Green Clients have a higher average of insurance policies – 1.6 policies per client –, when compared with Non-Green Clients – 1.4 policies per client.
- From this, one can see that higher digitalized clients tend to have a higher average insurance policies. Therefore, one can conclude that digitalized clients – Green Clients – are key for increase clients' purchase levels.

- Tranquilidade's client-base is heavily compounded with mature clients, being the age interval of 44 to 74 years old responsible for 53% of it.
- As clients get more mature, the number of policies increases, which can be explained with the increase of responsibilities and assets.
- Although younger clients have a lower number of policies and are a small part of the client base, they are the age group with higher premium per policy and per client, motivated by the percentual weight of motor policy premiums.

Green Clients and Average number of Policies of Green Client by Age Group



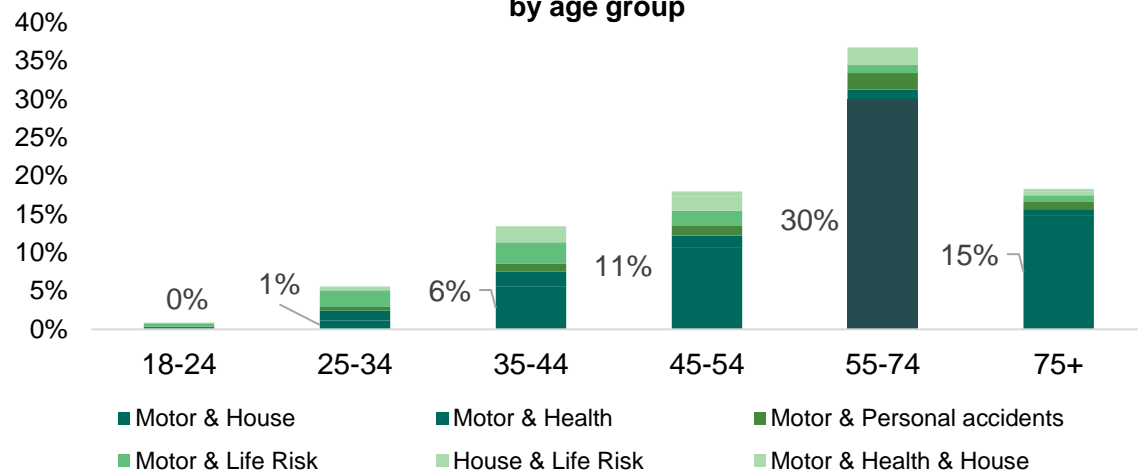
Graph 9: Green Clients and average number of policies of green client by age | Source: Client's Internal data

Retention among Tranquilidade's Clients have slight increased during the past year. Nevertheless, the Company should continue its efforts given the increasing competition and the majority of its sales force being based on multi-brand agents.

D.2.7. Analysis | Internal | Portfolio Analysis (II/II)

[Consult Appendix](#)

Mix of product from clients with 2 or more products, by age group

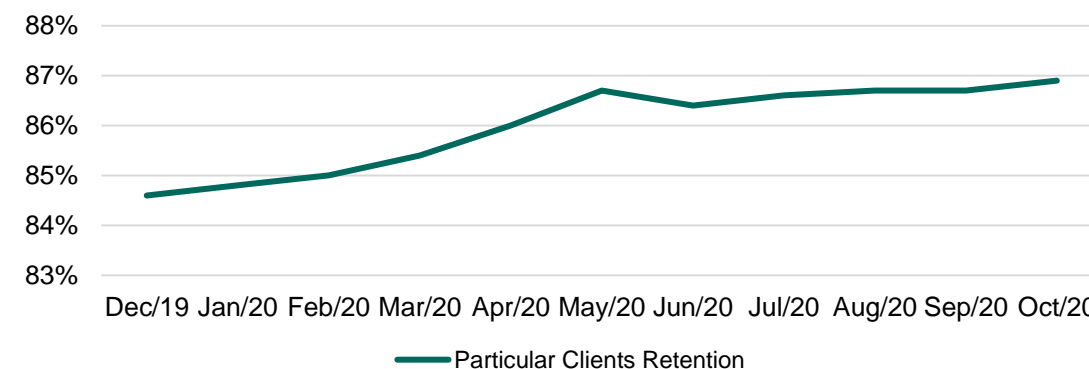


Graph 10: Mix of product from clients with two or more products, by age group | **Source:** Client's Internal data

- Tranquilidade has **82% of its client base as insured by a single product**, 14% with two products and 3% with three or more products
- From those with two or more products **as age increases clients tend to have a higher combination of products**, being Motor and Home the most relevant among all the combinations and nearly age groups
- The relevance of both **Motor and Home is indeed very important** as the first policy of a client at Tranquilidade. Motor is the most common entry product across all age groups, specially the youngest, followed by House, which can be explained by law obligations of these policies.

- Tranquilidade has been able to **increase its retention level through the last year** - from 84,5% (December 2019) to 86,9% (October 2020) - even with Covid-19 potential impacts.
- However, a **long-term growth from Tranquilidade**, is to increase its retention levels through the time with **higher focus on customer-centric strategies**. These levels might be difficult to increase given that Tranquilidade is an insurer that has its products mainly distributed by multi-brand agents (62%), which increases the difficulty to foster higher increasing levels of loyalty and, therefore, retention.

Retention of Tranquilidade's clients



Graph 11: Evolution of the retention of Tranquilidade's clients | **Source:** Client's Internal data

In order to properly formulate and test hypotheses as well as to further propose fact-based recommendations, an extensive research grounded on qualitative and quantitative methods was performed.

E.1. Strategy Formulation | Investigation Methods

[Consult Appendix](#)



PRE-SURVEY



CUSTOMERS IN-DEPTH INTERVIEWS



INTERNAL INTERVIEWS



LOYALTY & ACADEMIC EXPERTS INTERVIEWS



SURVEY



DESIGN THINKING WORKSHOP



FOCUS GROUP

	Qualitative	Qualitative	Qualitative	Quantitative	Qualitative	Qualitative
The customers in-depth interviews' sample, survey respondents, and focus group participants, were gathered based on pre-established criteria:	30 Interviewees	21 Interviewees	4 Interviewees	436 Respondents	8 Participants	2 x 8 Participants
<ol style="list-style-type: none"> 1) Individuals above 18 years old; 2) Residents in Portugal for at least 3 years; 3) Gender equality; 4) 25% aged from 18 to 30 years old; 5) Bought at least 1 insurance product, in the last 3 years. 	Open-ended, exploring oriented technique, and resort to the projective technique to gather detailed information on insurance customers' individual perceptions, experiences, and emotional bond, enabling the initial hypotheses formulation.	<p>Executive Board Insight's collection and alignment with the Company's strategy.</p> <p>Company Specialists Interviews with the Marketing, Product, Distribution, and Digital departments to gather insights on the business perspective.</p> <p>Agents & Brokers Measure their willingness to accept the initiative and understand their main concerns.</p>	<p>Loyalty Experts Collect insights on how to build a loyalty program. The sample was selected based on individuals experience and involvement in the creation of successful and well-known loyalty programs.</p> <p>Academic Experts Insights on project's strategy, research methodology, and change management.</p>	Quantitative questionnaire to measure consumers' psychological and behavioral characteristics, with the insights collection being based on the in-depth interviews' topics to test the initial hypotheses	Methodology used to generate unbiased and innovative ideas to solve a real problem in the insurance industry: the lack of consumer's trust.	Data collection technique through group interaction with the main goal of capture reactions, attitudes, and opinions to the proposed Minimum Viable Product tangible solution. Were conducted 2 focus groups of 8 participants each. The sample was gathered based on the pre-survey criteria.

The in-depth interviews were conducted to 30 interviewees with the main goal of gather customers' insights, perceptions, and opinions about the insurance industry, in order to formulate the initial hypotheses.

E.2. Strategy Formulation | In-Depth Interviews (I/IV)

[Consult Appendix](#)

Methodology

PRE-SURVEY

The in-depth interviews' sample, survey respondents, and focus group participants, were gather based on pre-established criteria: 1) Individuals above 18 years old; 2) Residents in Portugal for at least 3 years; 3) Gender equality; 4) 25% aged between 18-30; and 5) Bought at least 1 insurance product, in the last 3 years.



CUSTOMERS IN-DEPTH INTERVIEWS

Open-ended, exploring oriented technique to gather detailed information on insurance customers' individual perceptions, experiences, and emotional bond. The 30 interviews had a duration of 30-45 minutes each and focused on several topics, such as brand awareness and perceptions; consumer journey (reasons for buying, preferred channels, and usage of digital channels); ideal customer journey; reasons for being/not being loyal to an insurer; loyalty programs most used; and interaction and engagement with insurance brands. Tranquilidade's name was never disclosed during the interviews. The analyses of the consumer's insights and perceptions collected enabled the initial hypotheses formulation.

Sample Characteristics



The total sample of the 30 interviewees had the following characteristics:

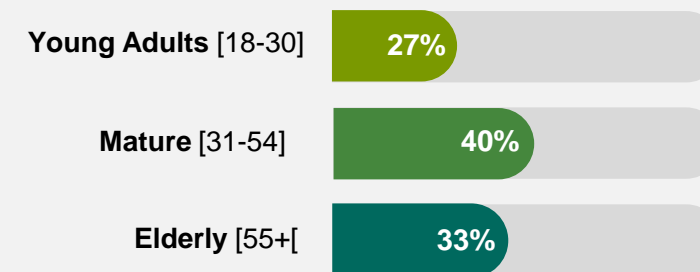
Gender Proportion



Info graph 5 – Gender proportion, in % | Source: Qualitative Interviews

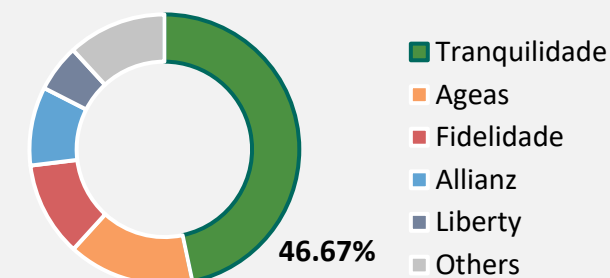
- The interviewed females showed a higher propensity to take care of their household insurance purchasing decisions. Thus, it explains the higher proportion of female in the total sample (60%)

Segments' proportion by age



Graph 13 – Segments' proportion, in %, by segments divided by age | Source: Qualitative Interviews

Proportion of insurance brands



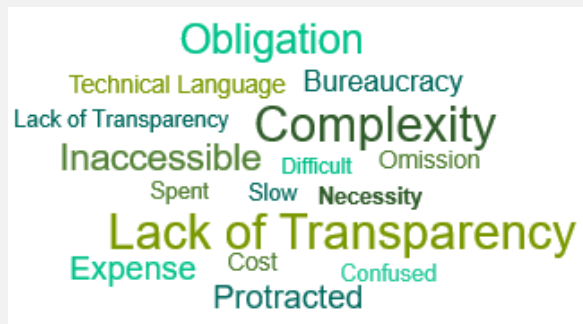
Graph 14: Proportion of insurance brands owned by interviewees | Source: Qualitative interviews

The insurance industry has a negative connotation and is commonly associated with lack of transparency and bureaucracy. However, customers connect the insurance products to protection, safety, and support.

E.2. Strategy Formulation | In-Depth Interviews (II/IV)

In-depth Interviews' Insights: Industry & Product Perceptions

Industry Perception



- Negative associations were mentioned, such as **complexity**; **expensiveness**; **bureaucracy**; and **lack of transparency**.
- All interviewees recalled to a sinister when interacting with and insurer.

Exhibit 10: Industry perception word cloud | Source: Qualitative interviews

There is a huge **lack of trust** and **enlightenment** in the **insurance industry**.

“ I have insurance products in more than one insurer. I am not loyal to any brand, because I was never encouraged to do it and I am not rewarded for it. Moreover, insurance companies only care about the money and, when you need them, they are not there to help you. (Female, 38 years)

Product Perception

Consumers associate the insurance product with **protection**, **safety**, **support**, and **prevention**.

“ What I value the most is the protection and Tranquilidade. When I buy an insurance is because I want to be protected and safe. (...) I want to be enlightened and have any doubt about my insurance. (Female, 47 years)

Interaction & Engagement

“Is there anything that insurance companies can offer customers that they do not yet do?”

- Relevant partnerships personalized per client;
- Offer a gift when buying a product;
- Remember special dates (birthday, Christmas);
- Reward for having no sinister (discounts in the premium or a coverage upgrade) and for being within the company for a long-time;
- Inform about new products (including coverages) and the premium increasing;
- Personalized service;
- Digital and less bureaucratic;
- Send messages with positive reinforcements.

“ I would like that my insurance knows me that well to call me and suggest and insurance customized for me and perfectly suitable to my needs. (Male, 54 years)

The projective technique allowed in-depth interviewees to project their subjective opinions and beliefs on the Portuguese insurers within the TOP-3 ranking concerning market share.

E.2. Strategy Formulation | In-Depth Interviews (III/IV)

In-depth Interviews Insights: Brand Perception

Projective Technique is a qualitative market research methodology used to measure consumers' brand perceptions. It analyzes customers' behaviors and opinions about an organization and uncovers the reasons behind it. There are various methods to apply the projective technique, with the one used in this research being the Brand Personalities, which consists in asking participants to personify a brand, describe it with human characteristics, and justify it. This tool is extremely helpful from what concerns branding research, since it provides a better understanding of a brand's perceived personality and image. Additionally, it recognizes characteristics that are distinctive to the brand.

“If the following insurance companies were a person, how would you define them?”

TRANQUILIDADE



Physical Appearance: motherly woman, formal dress code.

Age: 40/50 years old.

Personality: caring, comprehensive, traditional, and conservative.

Communication Style: formal, technical, associated with experience, and knowledgeable.



Physical Appearance: man, formal dress code.

Age: 35 years old.

Personality: persuasive, rogue.

Communication Style: commercial approach, charismatic with a great argumentative capacity.



Physical Appearance: young woman, elegant, modern with a casual-chic style.

Age: below 30 years old.

Personality: friendly, proactive, persevering, wealthy.

Communication Style: talkative, dynamic.

The in-depth interviews revealed that the majority of customers are not loyal to an insurer due the fierce competition in the market and because they are not rewarded for it.

E.2. Strategy Formulation | In-Depth Interviews (IV/IV)

In-depth Interviews Insights: Customer Journey

Purchasing criteria

- Coverage
- Price/Quality ratio
- Brand Reputation
- No bureaucracy
- Transparency
- Celerity in processes
- Network of Partnerships

Customers would prefer to have **all policies under the same brand**. However, there is **no emotional bond** with insurers and people do not feel valued for **being loyal**. Moreover, the **fierce competition** encourages to a high churn.

Preferred channels and ideal journey



YOUNG

- Young consumers use the **website** to purchase insurance or do it by **phone call**.
- Ideally, young consumers would like to be assisted by a **virtual assistant** to clarify any doubts and be able to **save their policy digitally**.



MATURE & ELDERLY

- **Mature** and **elderly** consumers prefer to **buy insurance physically** in a mediator.
- **Mature** and **elderly** consumers would prefer if the **process** was **less bureaucratic**, despite **still not opting for digital channels** in an ideal scenario.

Digital channels

- **Young, mature, and elderly consumers** use **digital channels** to **search and collect information**. However, **only young consumers** use it to actually **purchase an insurance** product. **Mature** and **elderly** consumers prefer to **buy insurance** with their **agent, physically**, showing a significant **need for personal contact**.
- The consumers that have **insurance apps installed** did it due to the **simplification of the expense submission process** (mainly regarding **health insurance**).

Reasons for being loyal

- Fair and balanced Price/Quality
- Trust in the insurer/agent
- Convenience & Simplicity
- Benefits given when renewing
- Flexibility

Reasons for not being loyal

- Competitive prices
- Not rewarded for being loyal
- Lack of interaction and no emotional bond
- Negative past experiences
- Bureaucratic & Time-consuming processes

Internal interviews revealed the importance and difficulty of customers' retention in the insurance industry, with loyalty experts advising to reward customers by appealing to their emotional side.

E.3. Strategy Formulation | Internal and Loyalty Experts' Interviews

[Consult Appendix](#)

Methodology

- **Interviews to specialists and agents** were conducted, being further analyzed, in order to **obtain internal insights**, totaling **15** and **6**, respectively.



- A total of **four interviews to loyalty experts** of several industries were performed, as a way to have consubstantiated inputs, yet **industry unbiased**.
- The industries considered were **FMCG** (Nespresso); **Apparel** (Salsa); **Telecommunications** (Altice); and **Bricolage and Construction** (Leroy Merlin).

Internal Interviews' Insights

- The **moto of the program** should **establish a positive and win-win relationship** between the insurance Firm and the clients, following some **market trends**, such as **prevention, assistance; and safety**.
- The **major goal** of this loyalty program is to **become a lifetime partner**.
- The loyalty program should be **distributed** both **digitally** (through the app and digital card) and **physically** (since non-digital clients are also a concern).
- Regarding the **redeem of the collected benefits**, the majority pointed **internal solutions** as the ideal ones, to **boost sales and cross-sell**. However, **external solutions** were also mentioned through **partnerships** – but these last ones needed to be **relevant, useful and trustworthy**.
- Some **negative concerns** were raised, namely with partners' **bad reputation**, **squeezed product margins**, and the **way to communicate partnerships**.

Loyalty Experts Interviews' Insights

- An **effective loyalty program** should be **simple and easy to understand**, **innovative**, and **add-value**, not only for the firm but also for the final user.
- The majority of effective loyalty programs are **point-system based**. However, it is not enough to succeed in the market, so the system should consider an **hierarchical model**, if proven to be meaningful, since it serves as a **barrier** to the **exit of the oldest clients** and it **appeals to exclusivity and status**.
- It is important to show to members of the program how much they have **collected** in terms of **benefits** through, for example, a **current digital account** (personal wallet).
- The program shall **appeal to the emotional side** of the consumers, so the brand is associated beyond a **transactional relationship**.

The Team conducted a survey with 436 respondents, so that the customers' insights related to the current and ideal journey and the initial hypotheses could be evaluated.

E.4. Strategy Formulation | Survey (I/V)

[Consult Appendix](#)

Methodology

In order to better understand the reasons for being or not being loyal to an insurance brand, a quantitative survey was conducted. Several topics had to be covered, such as the brands' awareness and perception; current and ideal customer journeys; experience within the insurance industry; and hypotheses validation (regarding distribution; soft engagement; benefits collection; redeem; basis of a potential system and; referral programs). Taking into account these topics, the survey's questions were built with the purpose of covering them and bringing meaningful insights.

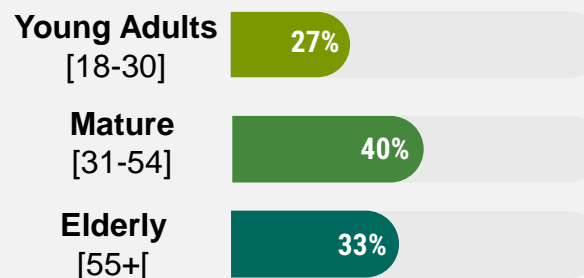
After building the survey's structure, the sample had to be gathered pursuing pre-established criteria: gender; age; country of residence (Portugal); and the purchase of at least one insurance product.

Sample Characteristics



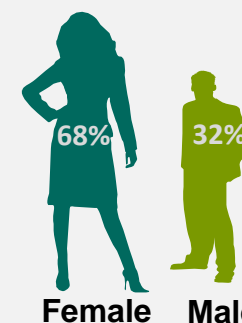
The total sample of the was 436 and it had the following characteristics:

Segments' proportion (%), by age



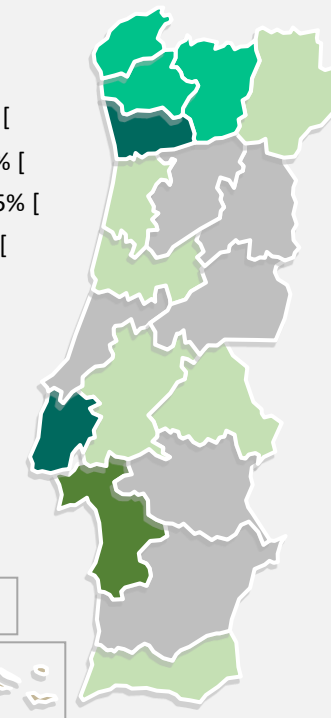
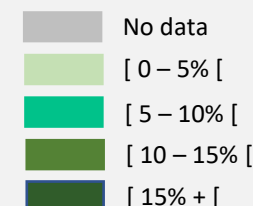
Graph 15 – Segments' proportion, in %, by segments divided by age | Source: Quantitative Survey

Gender Proportion



Info graph 6 – Gender proportion, in % | Source: Quantitative Survey

Sample Proportion (%), by district



Info graph 7 – Sample proportion, in %, by district of residence proportion | Source: Quantitative Survey

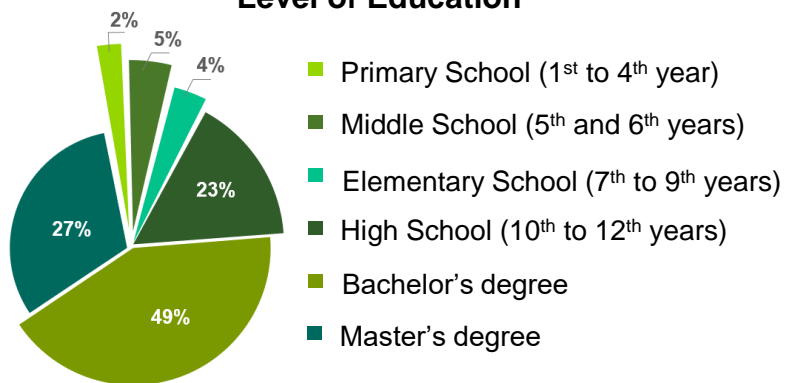
- Female (68%) represented a higher proportion than male (32%) in the sample, with the segment of mature and elderly clients having a higher representation in the sample than young adults.
- There are **13 districts of residence**, out of 20, **represented** in the sample.
- The **highest number of respondents** live in the districts of **Lisbon (50%)** and **Oporto (17%)**, which are the highest populated districts in Portugal.

The survey' sample is characterized mainly by employed individuals with a diverse household size and distinct annual amount spent in insurance, and therefore covering a diversified set of insurance customers.

E.4. Strategy Formulation | Survey (II/V)

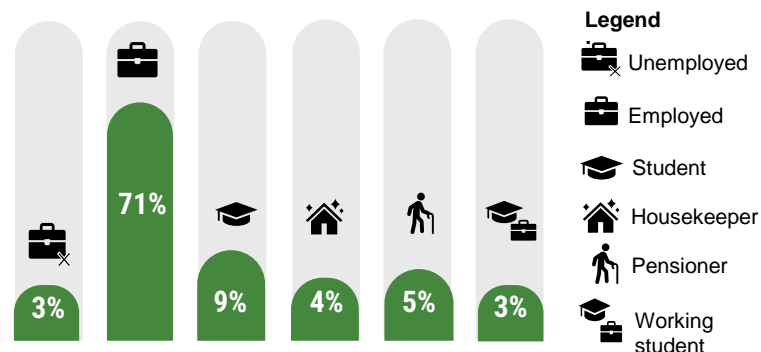
Sample Characteristics

Level of Education



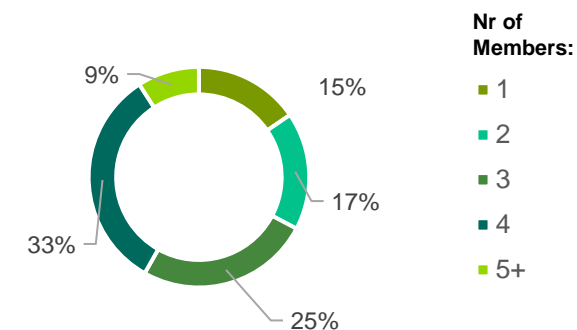
Graph 16 – Sample' proportion, in %, by level of education | **Source:** Quantitative Survey

Occupation



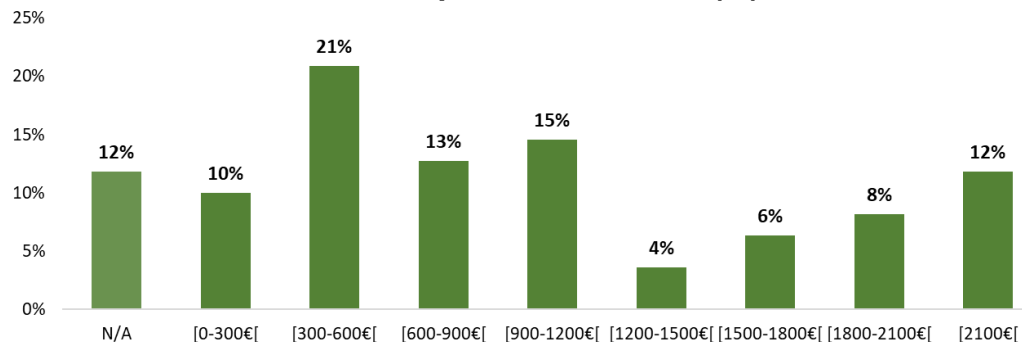
Graph 17 – Sample' proportion, in %, by type of occupation | **Source:** Quantitative Survey

Householder Size



Graph 18 – Sample' proportion, in %, by householder size | **Source:** Quantitative Survey

Amount spent in insurance (%)



Graph 19 – Sample' proportion, in %, by amount spent in insurance (yearly) | **Source:** Quantitative Survey

- Almost half of the survey sample (49%) has a **bachelor's degree**, followed by a Master's degree (27%), as stated in Graph 16, and 71% is currently **employed**, as represented in Graph 17.
- A minority of the sample is either unemployed (3%) or working while studying (3%), as shown in Graph 17.
- The majority of the respondents have **3 (25%) or 4 members (33%)** in their household (Graph 18).
- The **amount spent** in insurance is **not normally distributed**; yet, **21%** states to **spend 300-600€** (Graph 19).

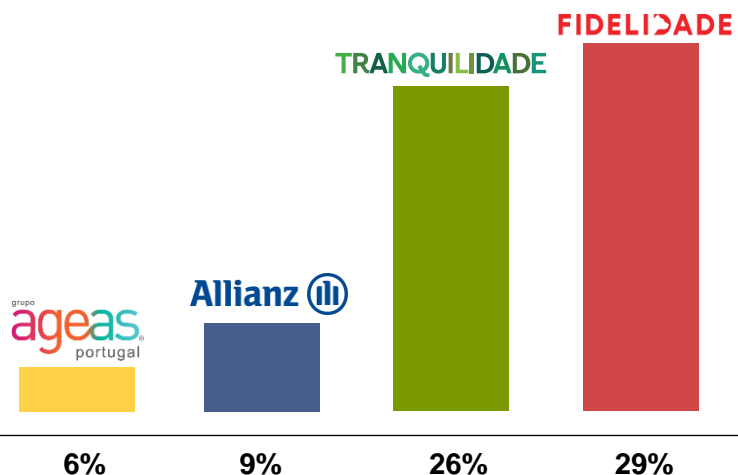
According to the surveyed sample, Fidelidade is the top minded-brand regarding the Portuguese insurance market, closely followed by Tranquilidade. Allianz and Ageas were also regularly mentioned.

E.4. Strategy Formulation | Survey (III/V)

[Consult Appendix](#)

Survey's Insights

Top 4 Minded Brands



Graph 20 – The four top minded brands, in %, referred spontaneously by the respondents of the survey

- The Graph 20 only presents the **four most mentioned insurance brands**; hence, approximately, **70% of the total sample is represented**, with the remaining **30%** also answering other brands, totaling **25** (such as *Ok! Teleseguros; Médis; Multicare; Zurich; Logo; Ocidental; or Generali*).

- When asked to write down **the first brand** that would come to **respondents' mind**, when thinking and associating immediately with **insurance**, **29%** said **Fidelidade**.
- Therefore, as show in Graph 20, the most **top minded brand** was **Fidelidade (29%)**, with Tranquilidade (**26%**) following closely in the second-place of the ranking, showcasing their **relevance for Portuguese consumers** as well as their **significant brand awareness**.
- Allianz (9%)** and **Ageas (6%)** were both mentioned by the interviewees, even though there is a **huge discrepancy** between **them** and the **leading ones**.

95%

Mentioned in an open text box of the survey that the **ideal way to be rewarded** for remaining **loyal** to an insurance brand would be through a **reduction** in their **premiums** when **renewing** it (such as direct discounts; vouchers; or offer of a monthly payment).

- A **minority of the sample (5%)** mentioned other benefits **besides a rational benefit** like the price reduction, such as:
 - ✓ **Customer service** with **distinctive** treatment;
 - ✓ **Gifts** in **special occasions** of the consumer (e.g. anniversary);
 - ✓ **Tickets** to **exclusive events** (or access to VIP areas).

The survey conducted to 436 respondents revealed that consumers expect more engagement and communication from insurers, being also interested in receiving rewards through a loyalty program distributed through digital channels.

E.4. Strategy Formulation | Survey (IV/V)

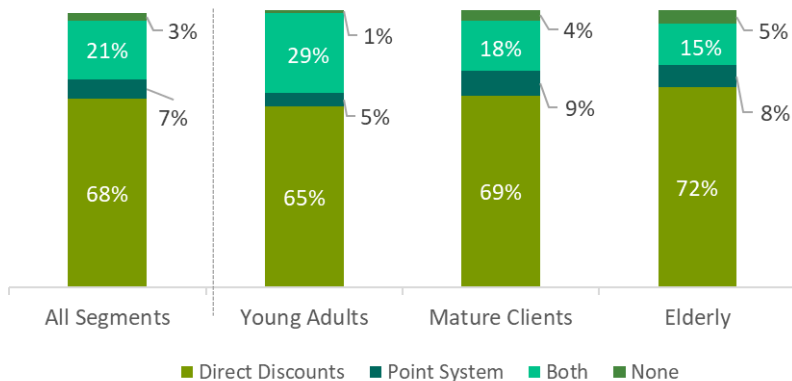
[Consult Appendix](#)

Survey's Insights

81% of respondents considered the **creation of a loyalty program** in the insurance industry to be **relevant**.

- From the **436 respondents**, 68% prefer direct discounts, 7% a points-based system, and **21% prefer both combined** (Graph 21).
- Younger consumers** are the segment that prefers a **gamification component**, having also a higher interest for a **quick and easy collectible benefits** to redeem through **direct discounts** (Graph 21).

Customer preferences towards the loyalty system basis



Graph 21 – Customers preferences towards the loyalty system basis | Source: Survey

Subscription of Loyalty Program

50%

App

43%

Website

Usage of Loyalty Program

56%

App
(QR code or
Virtual card)

43%

Personal Data
(Client nr, NIF...)

33%

Website
(Client Area)

Info graph 8 – Consumers' preferences regarding subscription and usage of a loyalty program | Source: Survey

- The respondents would like to **subscribe** and **use** the loyalty program via **digital channels**, being important that these processes are both **easily accessible** and **intuitive**.
- Info graph 8 shows that the **increasing worldwide digital transformation** impels that the **distribution of the loyalty program** (subscription and usage included) is heavily supported by **digital channels**, namely app and website.

SOFT ENGAGEMENT



Consumers expect more **engagement** and **communication** from their insurers, with **useful** and **positive reinforcements**, particularly those related with **preventive matters** (stated by **42%** of respondents).

55%

of respondents said they would like their insurer to give them **meaningful challenges** through which they could gain advantages – **gamification** component.

Customers would appreciate to be rewarded through both functional partnerships (insurance related) and non-functional partnerships (non-insurance related).

E.4. Strategy Formulation | Survey (V/V)

[Consult Appendix](#)

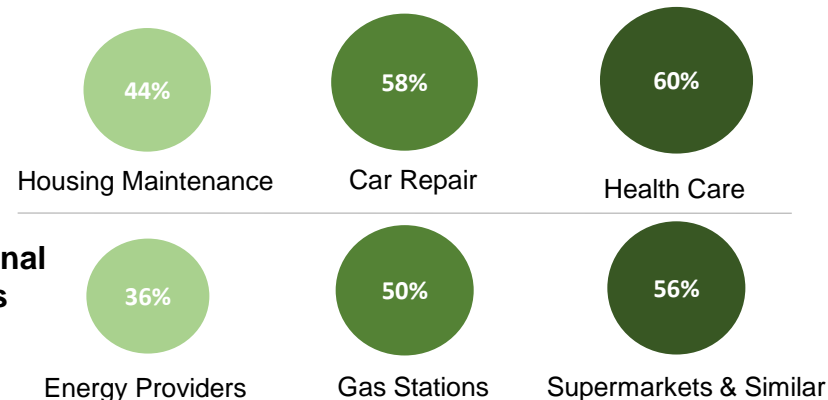
Survey's Insights

84% of respondents stated they would like to both **collect** and **accumulate benefits** through the partners pre-established with their insurer.

71% of 84% respondents stated they would like to **benefit** both from **functional** and **non-functional partners**, i.e., partners that are either related or not with the insurance industry and its products.

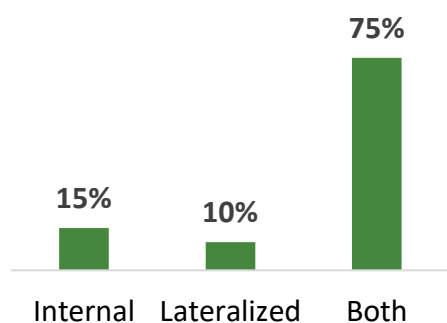
- As shown in info graph 9, the preferred functional partnership was **health care** (e.g., free check-ups) and the non-functional one was **supermarkets** or **similar**.

Functional Partnerships

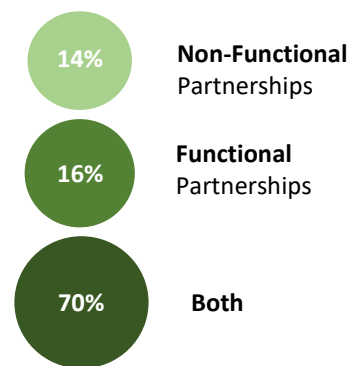


Info graph 9 – The three most selected types of Functional and Non-functional partnerships

TYPES OF REDEEM



LATERALIZED REDEEM



Graph 22 – Consumers' preferences regarding types of redeem as well as preferred types of lateralized redeem

- The **internal redeem** was **preferred** over the lateralized one (15% and 10%, respectively). However, the **preferred way to redeem** the collected benefits is a **combination of both** internally and through a network of relevant partners (75%).
- To the respondents who **showed interest either in a lateralized redeem or in a mixed of both types**, the ideal way of doing so would be via both **functional and non-functional partners**.
- By expressing their interest in **redeeming** the collected benefits **outside the insurer's ecosystem**, customers would have **access to a wider range** of products, services, and experiences.

A design-thinking workshop was conducted with a group of eight individuals, equally gender distributed, with the main goal of generating innovative and creative ideas to address the lack of trust in the insurance industry.

E.5. Strategy Formulation | Design Thinking Workshop (I/II)

Methodology



DESIGN THINKING WORKSHOP

- Creative solution-based approach which allows to deeply understand customers' needs and pain points, leading to alternative strategies.
- There are many variants of the design-thinking process. The method applied was the five-phase model proposed by the Hasso-Plattner Institute of Design at Stanford, based on the following steps: 1) Empathize; 2) Define; 3) Ideate; 4) Prototype; and 5) Test.
- The session had the duration of two hours and thirty minutes with greater focus on the ideation phase, for generation of unbiased and distinct ideas, in order to answer a crucial problem in the insurance industry: the lack of trust.
- Firstly, a brief overview of the industry was presented as well as the challenge to create a solution to boost customers' loyalty to an insurance company. As a way to generate creative ideas, the eight participants were divided in two groups of four individuals equally gender distributed, for an ideation brainstorming. In order to structure, select, and prioritize ideas, it was asked to each individual to draw eight ideas, discussed in group, and select one. The selected ideas were posteriorly prototyped and presented to all participants. The test phase was not addressed in this session, since the participants were individuals outside of the organization and due implementation barriers.

Sample Characteristics



The total sample of the 8 interviewees has the following characteristics:

Gender Proportion



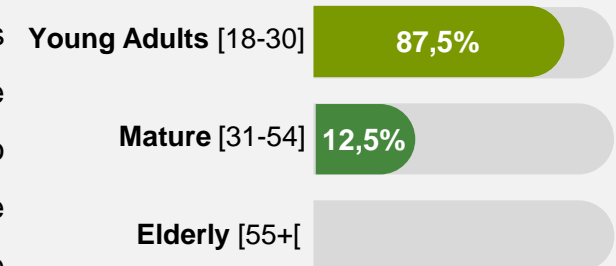
Female Male

Info graph 10 – Gender proportion, in % | Source: Quantitative Survey

- The high proportion of young adults is explained by the higher willingness to participate in this type of more creative approaches.

- The sample as equally gender distributed, constituted for four male individuals and four female individuals.

Segments' proportion by age



Graph 23 – Segments' proportion, in %, by segments divided by age | Source: Design Thinking Workshop

The participants suggested the rebranding of the industry's image, the implementation of a reward system, and the adoption of a customer-centric approach.

E.5. Strategy Formulation | Design Thinking Workshop (II/II)

Design Thinking Workshop's Insights

SOCIAL ACTIONS

Change the negative associations with the industry through the involvement and effective communication in supporting social projects and volunteering actions.

SIMPLICITY & TRANSPARENCY

Adopt a simpler and more transparent communication.

COMMUNITY

Organize events related to consumer interests and build a community around it.

“
Sports car events or horseback riding events.

REWARDING

Reward customers for the years within the brand through perks and benefits such as discounts in the premium.

REBRAND THE INDUSTRY

By plunge deeply in the industry pain points, participants proposed to rebrand it by supporting social projects or target the young segments and effectively communicate it.

CUSTOMER CENTRICITY

Adopt a customer-centric approach to deeper understand each customer needs by establish a direct and personal contact.

FAMILY PACKS

Create family packs to boost loyalty in the young segment.

“
Even though I am not the taker, I am the user and I feel that is my insurer too.

SPECIAL DATES

Remembering special dates for customers and offer discounts and surprises.

“
Birthday, Christmas, Mother's day

LOYALTY PROGRAM

Create a reward point system to gratify clients for being loyal.

REWARD SYSTEM

Participants pointed out the fact that customers do not feel rewarded for being loyal, suggesting the creation of a loyalty program point-system based that reward clients for the years within the company, through discounts in premiums and a network of relevant partners.

YOUNG SEGMENT

Renovate de traditional and formal industry image by targeting the young segment with travel, sports, and adventure offering.

PERSONALIZATION

Deliver a personalized support and service that matches each customer needs, interests, and expectations.

CONVENIENCE

Adopt a more digital, flexible and convenient customer service.

PARTNERS' NETWORK

Associate insurance with other well-known and loved brands through a network of partnerships.

CREATE A BOND

Participants stated the importance of a customer-centric approach and proposed a more personal contact and the creation of a community.

Two focus groups were conducted to observe and analyse customers' reactions and opinions to the pre-established Minimum Viable Product (MVP).

E.6. Strategy Formulation | Focus Group

Methodology

Two focus groups were performed aiming not only to better understand **people's reactions and opinions** but also to test **the effectiveness of the pre-established Minimum Viable Product**. Each group had eight participants that matched pre-established criteria regarding **age, gender**, as well as **insurance brands' purchased**, since the goal was to have **insights from current Tranquilidade's customers** (who are the main target of the loyalty program) and from **non-Tranquilidade's customers** (in order to have opinions from consumers of the insurer's competitors). Due to the **COVID-19 restrictions**, the focus groups had to be **conducted online**, which by itself created a **barrier to an efficient flow of the communication** between participants. Hence, two focus groups were conducted to **better understand and prove the insights extracted**.

Focus Group's Insights

- All of the focus groups' **participants** demonstrated the **need and expectation** of **interacting** with their insurer **beyond** the transactional relationship (**purchasing, renewal, and sinister** moments).
- When showed the MVP, **several comparisons** arose with other **loyalty programs** that consumers knew from **other industries**, especially from the **mature segment**. Therefore, a conclusion was made: the **majority of insurers do not value their consumers' loyalty**, nor give any kind of **incentives to reduce the churn**.



Mature & Elderly Segments

These segments prefer to have **rational benefits affecting directly the price** as well as **immediate discounts** rather than ones more spaced in time, so that the **frequency** of these received benefits could be **increased**.

“ I only value immediate discounts, because the benefits that I have to accumulate over a long period of time may expire before I even go to the store again. (Female, 45 years)



Young Adults Segment

Younger segments pointed out **gamification** strategies and **hierarchical points-based system** as the basis of the **perfect program**, since they feel **more engaged**. Moreover, they prefer **benefits that provide experiences and positive emotions**.

“ I never get tired of Yorn Shake It's or MB Way's programs, since they constantly challenge me and give me more benefits across time! Also, I can exchange the benefits for experiences that I love and make me happier. (Male, 23 years)

- Participants expressed their interest on the possibility of **redeeming** the collected benefits outside their **insurer's ecosystem**, in order to have access to more **products, services, and experiences** to choose from.
- Besides young adults, other participants also value **hierarchical** points-based system, since it not only recognizes the number and **frequency of consumers' shopping** but also enhances their will to **keep gaining points**. Yet, **others disagreed** stating that it tends to appeal only to users that spend more, becoming an **entrance barrier**.

The Action Plan for the implementation of +*Tranquilos* comprises six phases until its launch, in which Tranquilidade can adjust, test, and develop the Program and its inherent supportive resources.

F.7. Recommendations | Action Plan

[Consult Appendix](#)

Stages	Task	Responsible Department	2021		2022			
			Q3	Q4	Q1	Q2	Q3	Q4
1.	REVIEW OF DYNAMICS & VALUE PROPOSITION							
1.2.	Adjust Value Proposition & Approval Dynamics and Offers	Marketing; IT; & Product						
1.3.	Pilot Project – Develop of a Loyalty Program Prototype	Marketing & IT	█					
1.4.	Pilot Project – Test and Validate	Marketing & IT		█				
2.	PARTNERSHIPS							
2.1.	Research & Evaluate Potential Partners	Commercial		█				
2.2.	Contact Partners and Negotiate the model of collaboration	Commercial	█					
2.3.	Close Negotiations	Commercial			█			
4.	INTEGRATION				█			
4.1.	Develop the integration of systems with partners	IT				█		
4.2.	Integrate the Loyalty Program into the main app ecosystem	IT				█		
5.	DEVELOP OF SUPPORTIVE RESOURCES							
5.1.	Develop tools to track both financial and non-financial KPIs	Financial; Product; & IT				█		
5.2.	Development & Approval of Incentive Scheme	Financial & Product				█		
6.	PREPARE TO LAUNCH							
6.1.	Present & Train brokers and agents to + <i>Tranquilos</i> (introduce the Program; explain incentive programs; etc.)	HR				█		
7.	LAUNCH							█

The acquisition by Generali brought some challenges to Tranquilidade, specially the adaptation to a new customer-centric culture. Hence, there is the need to address change management internally, to potentiate synergies.

F.8. Recommendations | Change Management (I/II)

Analysis & Implications in Change Management	
Issue	<ul style="list-style-type: none"> After the acquisition by Generali Group, Tranquilidade needs to adapt to a more customer-centric culture, in order to achieve the major goal of becoming a lifetime partner in the Portuguese insurance market.
Solution	<ul style="list-style-type: none"> Shift the Tranquilidade pre-acquisition's organizational mindset to a more customer-centric oriented culture, from the top management until the bottom, through: (1) defining and effectively communicate it with all Tranquilidade's stakeholders; (2) aligning this new culture with the Firm's strategy and its inherent processes; and (3) monitoring all the efforts taken by implementing anonymous employee surveys and analyzing gaps between the required and observed behaviors.
Issue	<ul style="list-style-type: none"> The Firm's internal structure is characterized as being traditional and hierarchical, much typical in the insurance industry. However, this may become, in the long-term, a barrier to the effective flow of information and communication between departments as well as innovation in the Company.
Solution	<ul style="list-style-type: none"> Motivate all employees to communicate without constraints with each other via team buildings and, in order to incentive the new employees' integration in the Firm, a peer-member that already works in the Company should be allocated. Promote the syndication within all departments, through pre-scheduled meetings where there is space for brainstorming and open debates to solve specific issues, creatively. Develop an internal program with the HR department, consisting in a temporary job switching (as if it was an internal Erasmus/exchange program), with the purpose of raising empathy and value each others' roles and functions inside the Company. For example, an individual that is working for the customer experience, in the Marketing Department, would exchange functions for once a week with an agent.

The fast digitalization worldwide and the negative consumers' perceptions regarding the insurance industry demand a quick change and adaptation from Tranquilidade, which can be addressed mainly through proper training and upskilling.

F.8. Recommendations | Change Management (II/II)

	Analysis & Implications in Change Management
Issue	<ul style="list-style-type: none"> The world is changing at a fast pace and consumers demand more agile and digital solutions. Therefore, the Mobile Hub will enter the market soon, bringing several challenges of implementation, coordination, and maintenance, increasing the complexity of the responsibilities.
Solution	<ul style="list-style-type: none"> Firstly, Tranquilidade must create and promote a more agile and digital culture, by offering digital training at all levels of the Company and encouraging collaboration between employees, since, when people work well with each other, the workflow progresses vastly and the more creative ideas arise at a higher speed. Secondly, the Firm must be comfortable with the risk, mainly because not all innovative ideas payoff, since it is itself an experimentation and there is no background to sustain it before implementing. Therefore, the Firm must guarantee there is trust between all employees as well as an open culture that not only embraces the innovation, as stated above, but also that accepts the ideas that failed and take it as part of the learning process. Lastly, the Firm must provide upskilling to all employees –, which is the procedure of learning new skills or even improving workers' knowledge on a particular skill –, focusing on people's abilities and skills, instead of focusing on their degrees and backgrounds.
Issue	<ul style="list-style-type: none"> Insurance is perceived as a complex, ambiguous, bureaucratic, and old-fashioned industry, which creates an enormous barrier for insurers to effectively communicate and engage with their consumers. This is a major problem for Tranquilidade, since it aims to be customer-centric and seen as a lifetime partner for its Clients.
Solution	<ul style="list-style-type: none"> Provide training to all workers, specially agents that are in the sales frontline, in order to not only communicate with a B1 language, i.e, clear and easy to understand by consumers, but also to boost and promote the innovative digital solutions created by Tranquilidade, directly to consumers.

Throughout the development of the project, the Team faced multiple challenges – namely those related with the available data; the subject itself; time constraints; and the COVID-19 pandemic –, which were all overcome with success.

G. Risks, Further Research, and Limitations

Further Research



Further Research: The Team could have invested in further researching on how to properly materialize the Program's value proposition; the systems required for its implementation; and the processes and resources existing at Tranquilidade that are needed, and in which way, to successfully achieve the devised strategic goals of the project. Furthermore, the study of the impact of the Program's value proposition would also allow to identify pain and pleasure points of its whole dynamics, permitting to craft proper solutions; and scaling the Program's revenue streams whilst maximizing its overall financial and strategic impacts.



Available Data: **(1)** There was no information available on development costs concerning past initiatives (particularly, those that are digital-related) like the main recommendation, given the uniqueness character of the Client's request and further presented proposal, which enhanced the margin of error of the estimation of potential sources of costs and revenues, compromising the accuracy of the impact assessment. **(2)** Tranquilidade's client database does not permit the easy consultation of current client statistics or information, especially when several criteria are desired to be looked for together and combined, so assumptions and samples had sometimes to be utilized.



Client and Subject: **(1)** Even though core insurance topics – such as overall product definition; premium pricing strategies; and legal implications – were not extensively covered in the project, it was still required knowledge of a subject that is extremely complex. The Team surpassed this reality by frequently engaging in conversations with experts from Tranquilidade, ensuring the Loyalty Program's details were correctly related to the Insurer's product offering and were implementable; **(2)** Doing a consulting project on such an innovative program in a Company that has just been acquired and therefore having currently to deal with multiple implications related with internal restructuring and overlapping initiatives under development brought a new layer of complexity to the project; and **(3)** Handling a three Steering meetings with over 20 renowned professionals, including the Executive Board, was an undeniable challenge, since the Team had to consider a set of different opinions, perspectives, and requests, allowing for our learning curve to be steeper.



Time Constraints: The project developed was one of significant dimension and complexity, with almost four months of work not being enough to develop all the required analysis and outputs (despite everything in scope was done), even though the final product left the Client extremely satisfied and with a great sense of value-added .



COVID-19 Pandemic: Having done the project within an extremely devastating pandemic did not allow the Team to work at Tranquilidade's headquarters and interact with its employees presential, which forced us to adapt and overcome a set of additional challenges.

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

**CONSULTING PROJECT WITH THE TOPIC: “BOOSTING CUSTOMER LOYALTY BY
INCREASING BRAND ENGAGEMENT AND OFFERING VALUE-ADDED SOLUTIONS”**

MARIANA GONÇALVES FIGUEIRAS | 43474
“Defining the Ideal Customer Journey for a Loyalty Program”

Work Project carried out under the supervision of:
Professor Constança Monteiro Casquinho

21.05.2021

The McKinsey Loyalty Loop framework illustrates that the consumer journey may not end in the purchasing moment: as long as the brand continues to add value, consumers will stay in the loop.

C.4. Diagnosis | Loyalty Definition and Key Factors (II/VII)

McKinsey Loyalty Loop

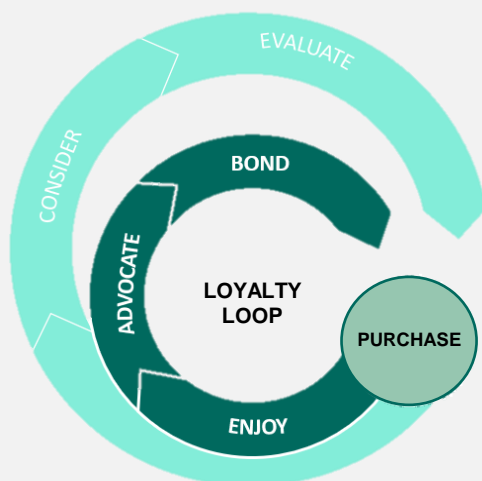


Exhibit 1 – The consumers' decision making process and the Loyalty Loop | Source: Adapted from McKinsey (2015)

The **McKinsey Loyalty Loop** (Exhibit 1) is a customer service concept that illustrates how consumers decide what they **buy** and further **continue** to from a certain company in the future, serving as a replacement and more realist model for the funnel concept of marketing.

The **Loyalty Loop** comprises **four different stages**, despite only three of them having been considered for the Consulting project, for out-of-scope reasons.

CONSIDER

- Consumers become **aware** of a certain brand through **functional triggers**, such as advertising or word of mouth. Then, they **consider** a wide **range of brands** that offer a similar product or service, satisfying the exact same need.

EVALUATE

- Consumers **consider** an **initial set of brands**, based on **brand perceptions** and on being **recently exposed** to the mentioned triggers. Lastly, the consumer will **evaluate** the set of brands, recurring to a **set of criteria**.

PURCHASE

- When **finishing the evaluation**, consumers develop an **intent to buy** and ultimately **select** the brand at the moment of purchase.

LOOP: ENJOY > ADVOCATE > BOND

- After purchasing** a product or service, **customers build expectations** based on the product and their **own personal experience**. If their **expectations** are **fulfilled**, and they start **enjoying** the **product**, they will **jump** the **consideration** and **evaluation** stages, **advocating** the brand and creating a **bond** with it, and therefore become loyalty to it.

- The **model** recognizes that, once people make a **purchase**, they tell others **their opinion** about a **specific product**, whilst constantly **revaluating** if they should **keep being loyal** to that brand.
- If the brand **continues to add value**, the consumer will **remain** in the “loyalty loop” and **enhance** the **relationship** with the chosen brand. Else, the consumer will jump out of the inner loop, going back to the **broader consideration loop**, looking for a **new brand** to bond with.

The understanding of the definition of a loyalty program as well as the key factors that potentiate its full capabilities were central elements for the development of the project.

C.4. Diagnosis | Loyalty Definition and Key Factors (III/VII)

Loyalty programs are structured marketing efforts which **reward**, and therefore **encourage, loyalty behaviors** (Sharp and Sharp, 1997), by creating **repeated interactions** between the consumer and the brand, further **improving retention rates**. To a **purchaser**, the main objective is to **provide rewards** the consumer receives as consumption of products or services increases. To a **company**, it is implemented to **stimulate sales growth, raising share of wallet**, and being able to **customize its offer** to customers, with CRM efforts being particularly relevant to gather important data about a customer's habits and preferences.

KEY FACTORS (According to A.T. Kearney)*

CUSTOMER EXPERIENCE

The **experience** a loyalty program can offer, to any customer, is **the key to its long-term success**. Accordingly, analyzing and adjusting the **in-place customer journey** is essential, considering two market trends: **omnichannel customer engagement**, by interconnecting physical and digital channels, promoting and rewarding client interactions seamlessly; and **mobile optimization**, so that easiness and level of convenience can be increased.

DATA ANALYTICS

The **analysis of data** is critical to the success of a loyalty program, with firms taking advantage of all **touchpoints** of its collection. This allows to meaningfully **segment the customer-base** and **target specific clients** with products that are adapted to their **needs** and **wants**, enabling to offer an **overall customized service** as well as to **study market trends** to later introduce new product and service offers.

STRATEGIC PARTNERS

Partnering with strategic companies allows to convey **additional value** that goes beyond what a firm can provide alone, broadening the range of potential benefits and rewards customers can have access to. It also potentiates **brand awareness** in sectors in which it would be harder to do so, ultimately **serving clients better** and enhancing **repurchasing**.

ORGANIZATIONAL AND SYSTEMIC STRUCTURE

It is crucial that a **solid organizational structure**, that allows the program to be sustainable, is created – with not only a **strategic and commercial areas** that ensure the objectives outlined are met, but also an **operational department** that guarantees the **correct execution** of all transactions –, conclusively providing support to the operational area.

According to McKinsey, points-based loyalty programs are no longer enough, with consumers seeking for other kind of benefits that provide value beyond the transaction, preferably through an ecosystem of diversified benefits.

C.4. Diagnosis | Loyalty Definition and Key Factors (V/VII)

McKinsey Ecosystem of Benefits

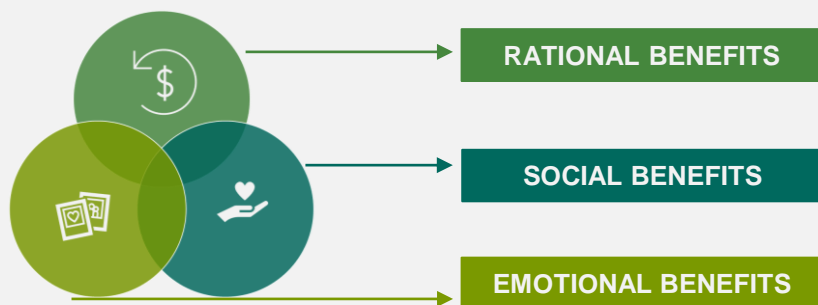


Exhibit 2 – Ecosystem of Benefits | Source: Adapted from McKinsey (2020)

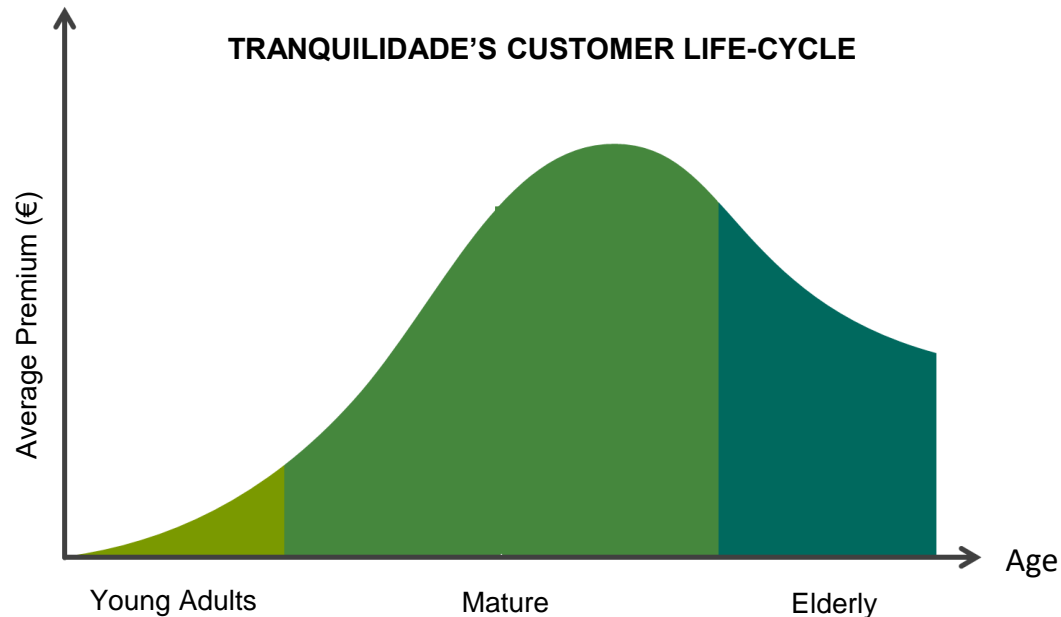
McKinsey designed the **ideal ecosystem of benefits** that a loyalty program should offer, with their symbiosis being key for its success, based on three dimensions of benefits:

- **Rational benefits:** refer to monetary rewards (e.g. direct discounts) and products (e.g. upgrades in current products).
- **Social benefits:** relate with the sense of contribution to something of superior social and humanitarian value (e.g. donations).
- **Emotional benefits:** concern with being emotionally engaged with the brand, advocating and recommending it to other individuals (e.g. exclusive events).

- To evaluate the aforementioned dimensions of benefits, McKinsey (2020) conducted a survey of more than **nine thousand consumers** regarding their **experiences with loyalty program**, across **nine different sectors**.
- Almost **42% of consumers showed that their top desired benefit are rational ones**, following by **33%** that mentioned **emotional benefits** and **25% social benefits**. This survey shows that this **balance between benefits** in a loyalty program might provide an **increase loyalty satisfaction** and, in the end, **subscription to a loyalty program**.
- Therefore, to create loyalty programs that are as **dynamic** as the **consumers** and **markets** are nowadays, it is indeed necessary to create and develop an **original customer-loyalty strategy** around a **fluid ecosystem** that provides **partnerships** of not only **products** and **services** but also **experiences**.
- These **partnerships**, if revealed to be meaningful for consumers, can be a **source of competitive advantage**, since several companies (i.e., the partners) from several other industries beyond insurance will develop a **joint program**, based on a **unique customer value proposition**.

Tranquilidade's internal data enabled the design of the Firm's customer life-cycle as well as its identification and characterization into three different types of consumers – young adults; mature; and elderly.

D.2.8. Analysis | Internal | Customer Life-Cycle



Graph 12: Consumer Life-Cycle based on each segments' average premium and age | **Source:** Traquilidade's data (2020)

- As shown in Graph 12, as **age increases**, both the **need for insurance** and the **yearly amount spent** on insurance products are incremented.
- Young adults** aged between **25 and 34 years old** have an average premium per client of **279€** and the average policies per client is **1.3 units**.
- When **young adults age** and **start their own family**, the **need for insurance increases exponentially**, moving to the segment of **mature clients**. These clients are **aged between 35 and 54 years old**, have an average premium per client of **310 €**, and the average policies per client is **1.5 units**.
- However, around **55 years of age**, the household size starts getting smaller and some expenses become to decrease (e.g. housing credit expenses), with consumers being segmented as **elderly**. This segment spends in premium an average of **294€** per year and have an average of **1.6 policies**.

Young Adults



- Lowest average premium** per customer
- Lower number of policies** per customer
- Price (75%)** and both the quantity and quality of **partnerships (62%)** are the two most important factors in the purchasing decision

Mature



- Mature clients** include families
- High average premium** per customer
- Huge need for protection**
- Their children** will belong to the **young adults' segment**
- Discounts (64%)** and **premium variation (64%)** are important factors in the purchasing decision

Elderly



- Low average premium** per customer
- Highest future **growth rate**
- Agents' trust (62%)** and **diversified offer of insurance products** are the main drivers in their decision-making process

The **+Tranquilos** Program should be a point-system based one, with the tools of collecting and redeeming benefits, in order to address the lack of active engagement between Tranquilidade and its Clients.

F.2.1. Recommendation I Program | System (I/IV)

Program			Distribution	
System	Benefits collection	Redeem	Digital	Physical

DESCRIPTION

- **+Tranquilos**, the proposed Loyalty Program to Tranquilidade, should be developed and further implemented as **digital-points based system**, aiming at **increasing brand engagement** with clients, by **fostering more regular and added-value touchpoints**, also **creating a stronger barrier to their exit**.
- According to **Deloitte** (2017), the majority of consumers appreciate **points-based loyalty schemes**, particularly **young individuals** who highlight the **gamification component** as the feature they make them addicted to such initiatives.

RATIONALE



Tranquilidade Customers

All Tranquilidade's Clients should be suitable to the Program, but only those who are Green should have prompt access to it.



Benefits Collection

The Program should allow for its Users to collect benefits (points, the *Tranquilos*) in multiple methods, internally and externally.



Client Portal

+Tranquilos should be a digital-based loyalty program, so its features can be maximized, enhancing engagement.



Redeem

The Users of the Program should be given the opportunity to redeem their collected benefits both at Tranquilidade and its partners.

- Tranquilidade should implement a program that **enables the creation of an ecosystem** that **boosts the number and quality of touchpoints** with its client-base, potentiating the engagement with the Brand.
- Aligned with a **practical and meaningful value proposition**, Tranquilidade will see its **Clients' loyalty increasing**, leading to **higher levels of consumption and retention**.

All Tranquilidade's Clients should be eligible to the Loyalty Program, but only those who are Green should have immediate access to it, rewarding their engagement with digital platforms and with the Brand itself.

F.2.1. Recommendation I Program | System (II/IV)

Program			Distribution	
System	Benefits collection	Redeem	Digital	Physical

GREEN CLIENTS DESCRIPTION

- The Loyalty Program should, regarding to its features and inherent characteristics, **target all Tranquilidade's Clients (+1.3M), independently of the type of insurance contracted or the number of policies underwritten.**
- **Green Clients (+0.695M)**, who are all those who have **accepted the Terms and Conditions** to communicate with the insurance Company digitally (whether on paying invoices or marketing communications), will be **automatically enrolled in the Program**, rewarding their adherence to digital.

RATIONALE

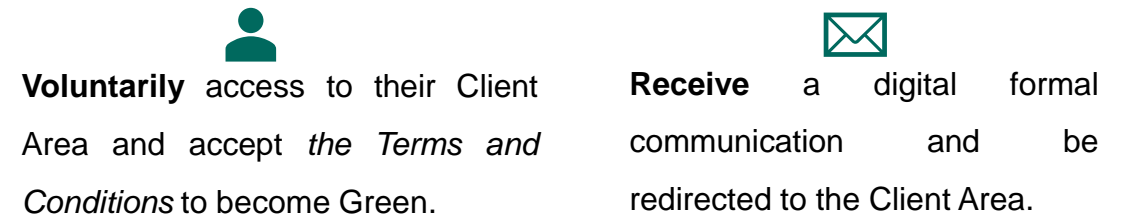
Clients that are already Green

Tranquilidade's Customers who have already accepted the *Terms and Conditions* to be considered **Green**, when purchasing their first insurance policy or even at a later stage, should be **automatically enrolled** in the Loyalty Program and with **immediate capacity to start interacting with it.**



Clients that are not yet Green

Upon the **official and formal communication** of the implementation of the Program to the whole client-base, all those who are not Green yet should have the **opportunity to become one**, in one of two ways:



This **methodology** of targeting Tranquilidade's Green Clients – those who are it already and invite those who are not yet to become one – will allow to a) **accelerate the digital transformation** across the whole Firm; and b) **maximize and take advantage of Clients** who are **already connected with the insurer's digital platforms** and who are therefore more likely to actively interact with the Program, potentiating their loyalty to the Brand.

The implementation of a Psychographic Quiz will allow Tranquilidade to broaden the range of information it can collect from the Program's Users, further using it to target communication and effectively promote cross-selling.

F.2.1. Recommendation I Program | System (III/IV)

Program			Distribution	
System	Benefits collection	Redeem	Digital	Physical

PSYCHOGRAPHIC QUIZ DESCRIPTION

- **Besides demographic data** collected upon the purchase of an insurance, before the User of the +*Tranquilos* Program starts using the app and interacting with its different features, the Client should be **invited to complete a Psychographic Quiz**.
- The Psychographic Quiz should include a **set of questions**, with the purpose of understanding the User's **psychological characteristics and traits** – such as **desires; goals; interests; and lifestyle choices**.

RATIONALE



- The Users of the +*Tranquilos* Program should **answer the questions** related to the areas below identified, presented to them in an **interactive and intuitive way**.
- The **formulation of the** questions and further **presentation** should be **clear and simple**, without ever compromising the **intended output of each of the questions**.



DESIRES

Questions regarding the User's desires towards the Program and the actions he/she will take to achieve them.



GOALS

Questions respecting the User's personal and professional objectives as well those related with the Program.



INTERESTS

Questions concerning the Person's hobbies; pastimes; or consumption habits.



LIFESTYLE CHOICES

Questions related to the User's eating habits; exercise routines; or health concerns.

- The Psychographic Quiz allows to a) **draw the Consumer's profile**, by accessing a set of relevant data and b) to **personalize both product offers and communication** to the Client, not only at the Program level but also for further cross-selling.
- Tranquilidade will, therefore, be able to **enhance engagement** with the Program and with the Brand itself, reinforcing its **positioning as a lifetime partner**.

The inclusion of a network of partners will allow to increase the number of touchpoints between Tranquilidade and its Clients, aligned with the Loyalty Program's value proposition of promoting prevention.

F.2.1. Recommendation I Program | System (IV/IV)

Program			Distribution	
System	Benefits collection	Redeem	Digital	Physical

DESCRIPTION

- The Loyalty Program should include a **network of valuable partners** that are used by Clients to both **collect benefits and make their redeem**.
- According to McKinsey (2020), companies need to develop an **underlying consumer-loyalty strategy** built around a **fluid ecosystem of partners** that offer **products, services, and experiences**, to a) **create a joint loyalty program** around a unifying value proposition; b) **deepen their understanding of customer behavior** via richer data; and c) **be able to compete a scale**.

RATIONALE



Benefits Collection

In line with the Program's value proposition – based on promoting preventive behaviors and providing assistance –, Clients should be able to collect benefits, by engaging in preventive behaviors in partners that are connected with the contracted insurance, which are divided in five categories:



AUTO



HEALTH & LIFE



HOME



SPORTS



ANIMAL



Redeem

The redeem of the collected benefits should be done in a catalog that encompasses three different categories (Products; Experiences; and Social Intervention), provided by a restricted network of partners that adds value across all the redeeming offer.

PRODUCTS



Technological devices



Well-being

EXPERIENCE



Sports



Leisure

SOCIAL INTERVENTION



Social intervention

- The **creation and implementation of a network of value-adding partners** outside the insurance industry will allow not only to **increase the number of touchpoints** (even if indirectly) between Tranquilidade and its Clients but also to **associate the Brand with behaviors that are both related with prevention and connected with the contracted insurance products**, potentiating the **reduction of claims** – being, therefore, a **win-win relationship** for both parties.

The collection of benefits should be possible to do through Tranquilidade (on insurance-related actions and soft engagement) and via partners (by engaging in preventive behaviours).

F.2.2. Recommendation I Program | Benefits Collection

[Consult Appendix](#)

Program			Distribution	
System	Benefits collection	Redeem	Digital	Physical

DESCRIPTION

- The **collection of benefits** is one of the fundamental pillars of the +*Tranquilos* Program – together with their further **redeem** –, since it **creates a set of relevant activities and touchpoints**, even if directedly, between Tranquilidade and its Clients, contributing for these last accumulating journey.
- The Users of the Program should be able to **collect benefits** – points, the named **Tranquilos** – in three different ways: with **actions directly related to insurance**; in **soft engagement activities** (gamification and precautionary habits); and by **engaging in preventive behaviors with insurance-related partners**.

RATIONALE



Insurance

The Program's Users should be able to collect benefits, by maintaining and increasing their relationship with Tranquilidade, with regard to insurance products themselves.



**NEW
INSURANCE**



**INSURANCE
UPGRADE**



**INSURANCE
UPGRADE**



Soft-Engagement

It should include two different types:



GAMIFICATION

- Competition named “Quem Quer Ser + Tranquilo” of weekly quizzes about prevention



PRECAUTIONARY HABITS

- Doing sports and sharing it on social media
- Walk 10,000 steps daily
- Have a good night's sleep



Preventive Behaviours

This category allows the Users to interact with Tranquilidade's network of partners – in the areas of Auto; Health & Life; Home; Sports; and Animal –, that are related with the contracted insurance.



**USING A
QR CODE**



**SUBMITTING
INVOICES**

- The components that are part of the collection of benefits allow the **creation of a set of relevant touchpoints** that include not only the **insurance dimension** but also one **that is not directly related to it**, despite always being safeguarding their **connection with the Program's value proposition**.
- These categories will enable the **maximization of the level of engagement** with the Brand in addition to **boosting customer loyalty**.

The redeem of the collected benefits can be done internally (on insurance) and externally (via a catalog that encompasses a set of products; services; and social intervention actions).

F.2.3. Recommendation I Program | Redeem

[Consult Appendix](#)

Program			Distribution	
System	Benefits collection	Redeem	Digital	Physical

DESCRIPTION

- **After the accumulation of benefits** – the *Tranquilos* points –, the Program's Users should have at their disposal a **set of possibilities to make their redeem**, taking advantage of the **whole programmatic offer**, and therefore **completing the loop of the reward system**.
- Redeeming the benefits collected can be done in **two different groups**: one **directly related to Tranquilidade**, particularly with its **insurance product offering**; and in another that will be the materialization of a **network of partners' products and services**, in the form of a **catalog**.

RATIONALE



Insurance

The Program's Users should be able to redeem the collected benefits in maintaining and increasing their relationship with Tranquilidade, regarding current and additional insurance products.



**NEW
INSURANCE**



**INSURANCE
UPGRADE**



**INSURANCE
UPGRADE**



Catalog

Outside the context of insurance, Users of the *+Tranquilos* Program should be able to redeem the benefits accumulated in a catalog of products and services from a restricted network of partners.



PRODUCTS

- Wearables (smart watches and fitness trackers)
- IoT (smoke detectors and security systems)



EXPERIENCES

- Well-being (e.g., spa)
- Leisure (e.g., hotels)
- Sports (e.g., golf)



SOCIAL INTERVENTION

- Monetary donations
- Donations of essential goods

- The adoption of a **two-way redeem offer** allows to a) **enhance cross-sell**, since more equipped Clients have the possibility to **increase the micro-networks of collecting benefits** (from what concerns the preventive behaviors), **reducing Tranquilidade's sinister rate**, with direct positive financial impacts; and b) provide the Program's Users with a **broader range of redeem options**, **expanding the Brand's image** and actions **beyond the insurance dimension**.

The Loyalty Program should be distributed on a digital mobile application – the *+Tranquilos* app –, which should serve as the interface of interaction between the Users and all the Program's features.

F.3.1. Recommendation I Program | App

Program			Distribution	
System	Benefits collection	Redeem	Digital	Physical

DESCRIPTION

- The *+Tranquilos* Program should be based on a **digital mobile application**, made **available on all platforms**, through which Users should be able to **interact with the different activities** they are provided with –from the **collection of benefits to their redeem**.
- The existence of this **digital interface** is aligned with one of the **strategic pillars of Tranquilidade**, which consists in **accelerating digital transformation**, creating a related and unrelated **omnichannel ecosystem** that **enhances brand loyalty** through the increase of **relevant and active engagement**.

RATIONALE



- The app *+Tranquilos* should be the **main interface** of interaction with the Loyalty Program, **aligned with the objective of this initiative being digital-based**.
- It should have **five tabs of action** as well as a **main page**.



MAIN PAGE

Access to other tabs; own profile; current points; and on-going offers.



E-WALLET

Consult € saved; points; past collection; and redeem.



CHALLENGES

Check and participate in active challenges to collect points.



PREVENTION

Submit invoices of purchases that are related with preventive behaviours.



CATALOG

Access to a set of offers, split in 3 categories recommended based on the Client's profile.



PROFILE

Consult vouchers; *My Mood*; help centre; and profile settings.

- The **five main tabs** of the app will allow to create a **complete environment of interactions** with the Program's functionalities, granting Users to **benefit from an intuitive and user-friendly interface** that **maximizes the plenitude of the platform**.
- In this initial phase, despite being only target for current Clients, the Program and the app itself will work as an **important selling point for Tranquilidade**.

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TEAM MEMBERS

Appendix 1 | Project Team



Bernardo Salvador

Academic Background

Economics
Msc Management | Major in Strategy & International Business

Professional Background

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Academic Background

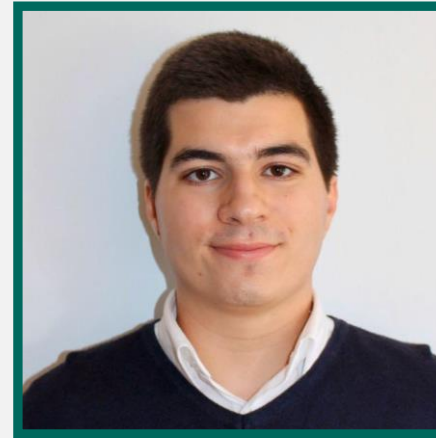
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BELBIN ANALYSIS

Appendix 1 | Project Team

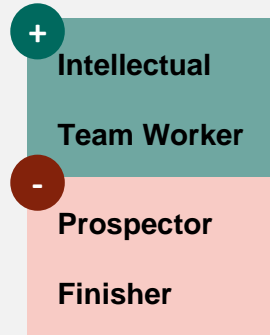
TEAM MEMBER	PRE President	STR Strategist	INT Intellectual	MON Monitor	OPE Operational	TW Team Worker	PRO Prospector	FIN Finisher
Bernardo Salvador			☑			☑		
Cristiana Stephani								☑
Diogo Marques	☑			☑				
Mariana Figueiras		☑			☑			

- In the beginning of the project, the Team started with a Belbin Analysis, following a best practice in consulting and team building. It allowed a clear evaluation of the strengths and weaknesses of each team member, facilitating the task of deciding the most appropriate roles for each members whilst also providing a mutual language for efficient communication.
- The Team concluded that there is a non-existence of a member with the Prospector, i.e., the person that explores external information sources. In order to address this challenge, the Team decided to pay extra attention on external data collection, performing interviews with several external sources (namely, loyalty experts and academic experts) and organizing a design-thinking workshop.

BELBIN ANALYSIS

Appendix 1 | Project Team

BERNARDO SALVADOR



Intellectual:

delivers scarce and detailed information on request.

Team Worker:

leverages on its cooperation and diplomatic skills to effectively listening and building.

Tetramap Elements



Fire: “Like the sun is bright”

The fire element relies on its positivity to explore possibilities and influence others to also look at the positive side of life. Their great sense of fun and love for variety distinguishes them in a team.



Air: “Like the wind is clear”

The air element is highly analytical, relying on order and focus. They assure accuracy and quality in their work, by finding logical solutions to the faced challenges.

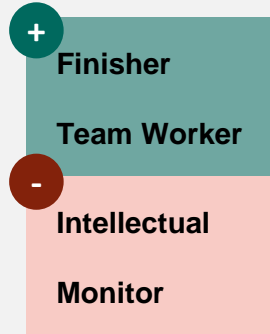
Key Learnings

- This project was an amazing opportunity not only to improve my skills but also to better understand if the consulting industry was the right career path for me, because it is very challenging and dynamic. Furthermore, through consulting, I will be able to explore new industries that otherwise I would never know.
- Ultimately, despite all the work, this project was extremely rewarding, because we were able to leave differentiating mark on the Organization by providing valuable inputs that help delivering relevant recommendations to solve the problem at-hand.

BELBIN ANALYSIS

Appendix 1 | Project Team

CRISTIANA STEPHANI



Finisher:

able to conscientiously find error and omissions to achieve a flawless delivery.

Team Worker:

leverages on its cooperation and diplomatic skills to effectively listening and building.

Tetramap Elements



Fire: *“Like the sun is bright”*

The fire element relies on its positivity to explore possibilities and influence others to also look at the positive side of life. Their great sense of fun and love for variety distinguishes them in a team.



Water: *“Like a lake is calm”*

The water element is caring, consistent, and crucial to hold teams together. They aspire to work in an environment with harmony and flow and show a high level of effort and patience.

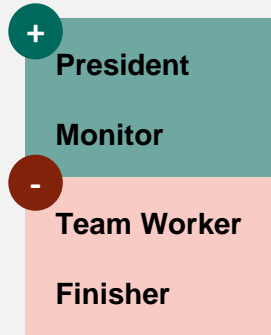
Key Learnings

- My major key learning throughout this project was the fully understanding how real-life project in the consulting industry really work, specially how can a consultant can build a relationship with the Client based on trust and respect.
- Furthermore, I was able to acquire new skills with my colleagues, where I had a gap, and I was not aware, especially strategic methodologies and new methods of market research and how to effectively conduct an analysis..

BELBIN ANALYSIS

Appendix 1 | Project Team

DIOGO MARQUES



President:

focuses on efficiently delegating tasks, clarifying goals and promoting decision-making.

Monitor:

able to see all options and accurately judge them.

Tetramap Elements



Air: *“Like the wind is clear”*

The air element is highly analytical, relying on order and focus. They assure accuracy and quality in their work, by finding logical solutions to the faced challenges.



Water: *“Like a lake is calm”*

The water element is caring and consistent and crucial to hold teams together. They aspire to work in an environment with harmony and flow and show a high level of effort and patience.

Key Learnings

The Consulting Field Lab project allowed me to a) understand the importance of a cohesive and diverse Team, with different critical reasoning being essential to best serve the Client; b) adopt a practical syndication mindset of co-creating with the Client, striking a balance between developing an added-value solution that is not only innovative but also implementable; and c) learn to mainly engage in a human relationship with the Client, comprehending that the Client before being such is in fact person, whose needs and wants are aligned with those of the team and that need to be fostered.

BELBIN ANALYSIS

Appendix 1 | Project Team

MARIANA FIGUEIRAS



Strategist:

studies and designs the future, by analysing patterns and trends.

Operational:

implements the teams' work with an efficient organisational frame.

Tetramap Elements



Fire: *"Like the sun is bright"*

The fire element relies on its positivity to explore possibilities and influence others to also look at the positive side of life. Their great sense of fun and love for variety distinguishes them in a team.



Water: *"Like a lake is calm"*

The water element is caring and consistent and crucial to hold teams together. They aspire to work in an environment with harmony and flow and show a high level of effort and patience.

Key Learnings

- During this project, I had the opportunity to work alongside my colleagues, during an intensive period of 4 months, improving a lot my communication and teamwork skills. In addition to these soft skills, I also was able to develop my analytical skills, specially with regards to Excel and Power Point.
- Lastly, the crucial factor for the success of this project was a continuous syndication with Tranquilidade, which provided an alignment of expectations and points of situation.

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Appendix 2 | Acknowledgements



TEAM

- The continuous and endless support of the Marketing Team, particularly those who work closely with us, allowed us to clarify critical concerns and doubts across the project.
- The almost daily meetings with the Project Coordinator were reflected on our progress, contributing to the permanent guarantee that we were achieving tangible and value-added results, whilst growing beyond our academic and theoretical knowledge.



TRANQUILIDADE

- The availability and deepest interest showed in the project we have developed, from the Executive Board to the Agents, were fundamental to ensure that the Team was on the track to success.
- All the comments, observations, and overall feedback provided not only during the Steering Committees but also during other frequent meetings enabled the alignment of ideas, contributing to a valuable output.



PROJECT

- The insurance industry itself impelled the Team to choose this project, to not only demystify the “non-sexiness” of the business but also to develop a broader knowledge of its critical importance to people and the economy in general.
- Working on a project that had to be built from the ground-up allowed the Team to continuously think “outside the box” and expand our skills.

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Appendix 3 | Interviews' Contributors

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Executive Board Interviews

Pedro Carvalho – Chief Executive Officer (CEO)
João Barata – Chief Insurance Officer (CIO)
José Nogueira – Chief Operating Officer (COO)
Rogério Dias – Chief Distribution Officer (CDO)

Company Specialists Interviews

Ana Jorge – Product Manager
Carlos Silva – Direct of Clients and Offer
Gabriela Maciel – Digital Content & Social Media Manager
Jaime Silva – North Area Coordinator (Minho)
João Costa - Chief Commercial Officer at Europ Assistance
João Gonçalves – Head of Post-Merger Management and Strategy
João Pinto – Head of Alternative Channels
Jorge Martins – North Channel Director
Maria João Silva – Chief Marketing Officer
Miguel Reybolds Brandão – User Experience Team Lead
Susana Mayer – Head of Segmentation & Digital Engagement

Agents & Brokers

Paulo Domingos – Setúbal
Patrícia Perloiro – Faro
Fernando José – Cascais/Sintra
Daniel Ribeiro – Braga
André Barros – Braga
Pedro Quinta – Faro

Loyalty Experts

Filipa Carneiro – Loyalty & Value Specialist at Salsa
Inês Martins – CRM & Loyalty Specialist at Nespresso
João Davo – CRM & Loyalty Program Analyst at Leroy Merlin
Luís Mestre – Director of B2C Segment at Altice Portugal

Academic Experts (from NOVA School of Business and Economics)

Professor Dr. Ilya Okhmatovskiy – Strategy
Professor Dr^a. Lena Kemma – Brand Management
Professor Dr. Nadim Habib – Entrepreneurship
Professor Dr. Pedro Neves – Entrepreneurship; Organizational Behavior; and Persuasion and Negotiation

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Appendix 4 | Best Practices

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SNACK



Concept

Your lifestyle insures you

- **Mobile app** that embeds the purchase of micro-insurance into customer lifestyle.
- Customers can link daily activities of their lives to the purchase of micro-insurance.
- Thus, they can build up coverage, while having the flexibility to manage its own protection portfolio.

Triggering Model with Flexibility

- Users can **choose their trigger** (transport; food and drinks; or steps), which is **linked to recording-data platforms**, to switch across **three premium levels**.
- **On-off subscription system**: users **control** their **insurance coverage** and **premiums**, with no up-front commitment needed.
- **Sizeable accumulation insurance coverage** through bit-sized contributions that is build up with the **customer's spare change, integrated with partners' platforms** to create a **unique experience**.

x2

Willingness to purchase insurance from *BigTech* has doubled from **17% (2016)** to **36% (2020)**

MAPFRE



Concept

Te cuidamos: We have a plan for you and for your family!

- **MAPFRE** is a Spanish originated multinational business group with more than 80 years of activity.
- It develops a vast business in all areas of the insurance sector, providing specific solutions for the needs of all its clients.

Scalable Points-System

- From the moment clients have a coverage, they become **Silver with the possibility to access Gold and Platinum**, as they **expand their relationship** with MAPFRE.

Relevant Partners

- **Agreements** with **Amazon; Booking; El Corte Inglés; IKEA; Renault; Media Market; Decathlon**; among other **very attractive companies** to its members.

Target Different Segments

- Targeted for **Gen Z**, by developing an offer that is **based on their lifestyle and leisure preferences**, also directed at **motorbike riders'** segment and families with **differentiator features**.

200%

Growth of number of members of the loyalty program, in less than 10 years

Appendix 4 | Best Practices

[Back to Best Practices and Loyalty Strategies](#)

AGEAS



Mundo Ageas Seguros

- **Ageas** is one of the leaders in the Portuguese insurance market, helping clients to manage, anticipate, and protect themselves against risks and unforeseen situations.
- With Mundo Ageas, clients have access to more than 12,000 professionals from 800 service categories.

Physical & Digital Card

- **Mundo Ageas Seguros Card** gives the program's clients access to **direct discounts** in a **broad network of renowned partners**.

Wide Network of Partners

- It includes **partners from different sectors**, such as Automotive; Beauty and Well-Being; Home and Office; Premium; Health; Services; and Travel and Leisure.

Digital App

- Provides customers with access to their **digital card**, to get to know current **partnerships, benefits, and latest news**.

1.7%

Growth of global **Clients**
(2019-2020), achieving **1.8M**

36%

Net income growth between
2019 – 2020, in Portugal

Concept

FIDELIDADE

FIDELIDADE

- **Gamification strategy:** Challenging users to take care of their health in exchange of prizes, benefits, and discounts.
- The healthier the users' habits are, the more points they get, with those points being called **FidCoins**.
- The points allow users to achieve a **status**: the higher the status, the higher the annual reward.
- The app, rated with **4.5/5** in the Apple Store, allows users to:

Get to know their health
They have to perform health exams in order to know their health state.



Enjoy their weekly rewards
When they achieve their weekly goals, benefits are received.

Improve their health
Associate a fitness device to all their workouts, in order to receive points on a daily basis.

Concept

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LEMONADE

Lemonade

Concept

“Forget everything you know about insurance”

- Lemonade is an *InsurTech* that has a business model based on AI and behavioural economics to **disrupt the traditional insurance paradigm** and **reduce conflict of interests**.
- The key points of differentiation are the following:



Digitalization: Elimination of the usual extensive paperwork, enhancing speed and greater convenience.



AI: Maya, the Virtual Assistant, provides a quicker and personalized service that matches each customer’s needs.



Machine Learning: An anti-fraud algorithm enables the claims process to become faster, with 30% of these being paid in seconds and the most difficult ones being handled by a team.



Behavioural Economics: Lemonade uses its “giveback” program to donate leftover premiums income to charities chosen by customers, boosting company transparency and promoting overall good behaviours.



B–Corp certification: By taking care of all stakeholders through all their decisions, Lemonade is showing their interest to contribute to a positive social change.

ZEGO

ZEGO

Concept

“Where insurance makes sense”

- Created in **2016**, Zego positions itself as a “**New Mobility Insurance Provider**”.
- It provides **insurance** from **self-employed people** to **large corporations**, which have fleets of **vehicles**.
- Zego offers **benefits** to its users, mainly to:
 - ✓ Choose desired policies (hourly to annual);
 - ✓ Pay only when working;
 - ✓ The hours worked are sent through the employer.



Courier Vans and Fleets
Tailored for businesses



Scooter and Motorcycle Insurance
Insurance that last from an hour to an year



Car and Private Hire
Policies for own use and car delivery drivers



Micromobility
Real-time coverage – from every minute to every vehicle

ACHIEVEMENTS

- Acquisition of a Portuguese *InsurTech* – Drivit
- Rated 5 out of 5 (AppStore)
- Highly personalized insurance offering with an on-off system
- High-profile clients, like Uber

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UBER

Uber

Concept

- **Uber Rewards, a full-scale loyalty program** launched in the US (2018), aimed to respond to the company's hard challenges of **declining passenger utilization** and consequent **loss of market share** to prospering competitors:



Free to join



Opt-in driven and points-based platform (rewards riders for using multiple ride sharing options and Uber Eats)



Growing benefits: free cancellation; price-protected trips; and others.



- The loyalty program is **multi-tiered status hierarchy** formatted from a basic membership to elite.
- The **more money spent**, more points the program gives, the higher is the users' status, hence **more rewards**.
- This was crucial for Uber to **secure customers** and **recapture the buying behaviors** of indecisive consumers.

MBWAY



Concept

- The **MB WAY app** is the first **interbank solution** that allows **immediate purchases** and **transfers** via smartphone or tablet.
- To overcome market threats, in 2017, it was launched the **MBWAY Challenge**:



Every transaction through MB WAY or ATM is counted

Those numbers are converted into points – the MBs

Through the points, users were qualified to win prizes

- With these engagement and gamification strategies, MBWay gave a reason for their **current users to keep using the app** and it also **acquired new users**.



1M users

When the challenge was launched, more than **60.000 users played daily**.

In the end of 2018, it became the **strongest and most used app for mobile payment**, in Portugal.

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VODAFONE



Concept

- **YORN** is a telecommunications brand launched in November 2000 by **Vodafone**, directed at the **young** and **irreverent generations**.
- The brand became known mainly due to its flippant **marketing approach** as well as its **product offering strategy**.



- It associates **mobile charges** with *shakes* that can be used to **purchase** three types of **cards** that can be **exchanged for prizes**.
- **Goal:** complete a book of virtual stickers and win trophies.
- **Yorn** uses this **gamification strategy** to:
 - ✓ Reward those who **choose** its tariff and **keep** a **relationship** with the service-provider;
 - ✓ Promote **long-term** and **sustainable engagement** between customers and brand;
 - ✓ Potentiate a **social component** of incentivizing the sharing of cards and codes, boosting the **interaction** with other **users**.

MEO



Concept

- The **MEOS** program is a loyalty system of MEO that allows its customers to **use points** to **purchase goods** and/or **services** available in a **catalog** such as:



Technological equipment



Premium channels



Experiences and sensations



Social Intervention

- **Everything the customer spends** at MEO, be it on charging of the mobile phone's balance or on the monthly invoice of the brand's bundle services, **can be used later** in this program: **1€ = 1 point**.



Make **customers** feel the money they are spending at the company will, at a posterior stage, be **returned to them** in the forms of both the **service provided** and the **additional purchases** they can make, promoting **brand loyalty**.

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THE BODY SHOP



Concept

Love Your Body Club

- Members can have access to **special offers**; new products **sneak peeks**; birthday **gifts**; and **invitations** to exclusive parties.
- The **more** they **shop**, the **more** they **earn**. For every 100 points earned, customers get \$10 worth to spend.
- Customers can change the **rewards for products** or choose to help others by **donating the rewards to charity**.

Refer a Friend

- By registering for the **refer-a-friend scheme**, **existing customers** can **give their friends a reward**, which is a **discount** off their first order at The Body Shop website.
- As the **new customer** makes their **first order** online, the **existing customer** will **receive a reward** to spend in their next one.
- This referral program potentiates the **acquisition of new customers** while **retaining existing ones** and the **increase in brand awareness**.

92%of consumers **trust a recommendation** from **family and/or friends**

SEPHORA



Concept

- Sephora's "beauty insider" strategy focuses on **leveraging the emotional drivers** of loyalty rather than transactional loyalty.
- With this program always having a **transactional component**, the firm believes that these **emotional rewards** are and will continue to be the **new currency of loyalty**.
- Some **key points** about the scheme:
 - ✓ **Registration** – It is simple and quick;
 - ✓ **Personalization** – There is a strong focus on this component;
 - ✓ **Customer needs** – Rather than offering free products, Sephora tries to provide what is essential to customers;
 - ✓ **Enthusiasm** – It is truly entrenched in the brand, with the customer being able to feel the company's passion on every stage of this loyalty strategy.

75% of what drives customer engagement and loyalty are emotional perks.**22%** increase in cross-sell due to engagement leads, in the USA.**80%** of the company's sales, in the USA, are due to their loyalty program members.

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NETFLIX

NETFLIX

Concept

- By offering simple and affordable subscription plans, **free of cancellation** charges and a “**free first month trial**” upon the creation of a new account, Netflix communicates **transparency** that contributes to gain its customers **trust**.

 **203.7 million**

Paid subscribers around the world

- The world’s **most popular video streaming service**, in 2020.
- Netflix uses **customized engagement** to create **excitement and habit-building**.

**Analyse customer behaviour**

Registering the whole customer journey in the platform

**Personalized content**

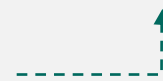
Recommending content based on data analytics and historical data

**In-product messages**

Notifying the user about content he/she might have interest on



Narcos returns September 1st
You think Escobar was bad. Wait until you meet these guys. Watch the Trailer



SPOTIFY



Concept

- Spotify’s **hyper-personalized customer experiences** have been a **key driving force** in retaining its loyal customer-base.

**Actively Understand Customers’ Preferences**

- ✓ Monitoring what users listen to in-platform;
- ✓ Using listening-related insights to deliver personalized recommendations;
- ✓ Empowering customers to discover new content tailored to their preferences.

**Empower Customers to Share their Experience**

- ✓ Creating opportunities to share experiences;
- ✓ Providing customers an overview of their streaming activity – **Spotify Wrapped**.

+ 100 million
paid monthly
subscribers

It is the most popular music streaming service in the world.

**Brand Presence**

Retaining current customers by teasing **new and exciting features**.

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NIKE



Concept

- **Nike's loyalty program** is a success, because it offers **four core values** to its members:
 - ✓ **Exclusivity:** Limited editions are offered, giving the chance for customers to become collectors;
 - ✓ **Community:** Membership gives customers access to free content and its is also present on the brand's language;
 - ✓ **Personalization:** Members receive gifts for their anniversary and have access to their own online shop with recommended products;
 - ✓ **Omnichannel experience:** The loyalty program is connected to all apps at all times, with customers being able to use their profile to shop in-store, pleasing and encouraging them to be connected to the brand's program.

79%

of consumers say that being able to unlock exclusive benefits makes them loyal.

47%

of consumers said they are motivated to be loyal by becoming part of a like-minded community.

35%

growth in digital revenue was attributed to the expansion of the program.

L'Oréal

L'ORÉAL

Concept

- L'Oréal developed the model "Listen-to-Engage" that is based on bringing product, marketing, and customer service departments together on the *Sprinklr* platform **to collaborate and personalize customer interactions at scale.**



Exhibit 19 – L'Oréal "Listen-to-Engage" model

- ✓ **Listening** all internet buzz to monitor the brand reputation and collect consumer insights that will feed product marketing.
- ✓ **Publication** of content on brands' social accounts and engage with consumers by using the platform capabilities and communicate in a reactive and personalized way.
- ✓ **Detecting** influencers to deploy a brand ambassador program.
- ✓ **Customer care** across social channels.

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BP



Concept

- BP, the second largest company in the fuel industry with 16.3% market share, has **very diversified loyalty programs**, including:



Poupa Mais card, in partnership with the retail company **Pingo Doce**, that allows to **save in fuel** when buying groceries (2€ for every 40€) and **save in electricity** when buying fuel (2€ for every 40L);



BP Bonus card, conceived for **companies and associations (B2B)**, offering **discounts** ranging between 6 and 8 cents per liter of fuel;



Premier Plus card, consisting of a **points card** that can be **exchanged for catalog products**.

Membership cards from **partner organizations**, offering **immediate fuel discounts**, depending on the agreed reduction per liter.



REPSOL



Concept

- Repsol, as the third largest player in the industry, also relies on its **engagement tactics** to **ensure customer loyalty** is enhanced, such as the following:



Partnerships, with a diversified network of partners, offering a **direct discount** (6 cents per liter) in fuel;



Repsol Move, allowing to change points for catalog prizes;



Pre-paid card, created to be **ideal** for **customers** to use, being valid for all sort of Repsol's **store products** and covering both **special promotions** and **loyalty programs**;



App, only available in Spain, with a **built-in payment method**, both for the interior of the store and for fuels, also providing **access to various offers** and **portfolio management**.

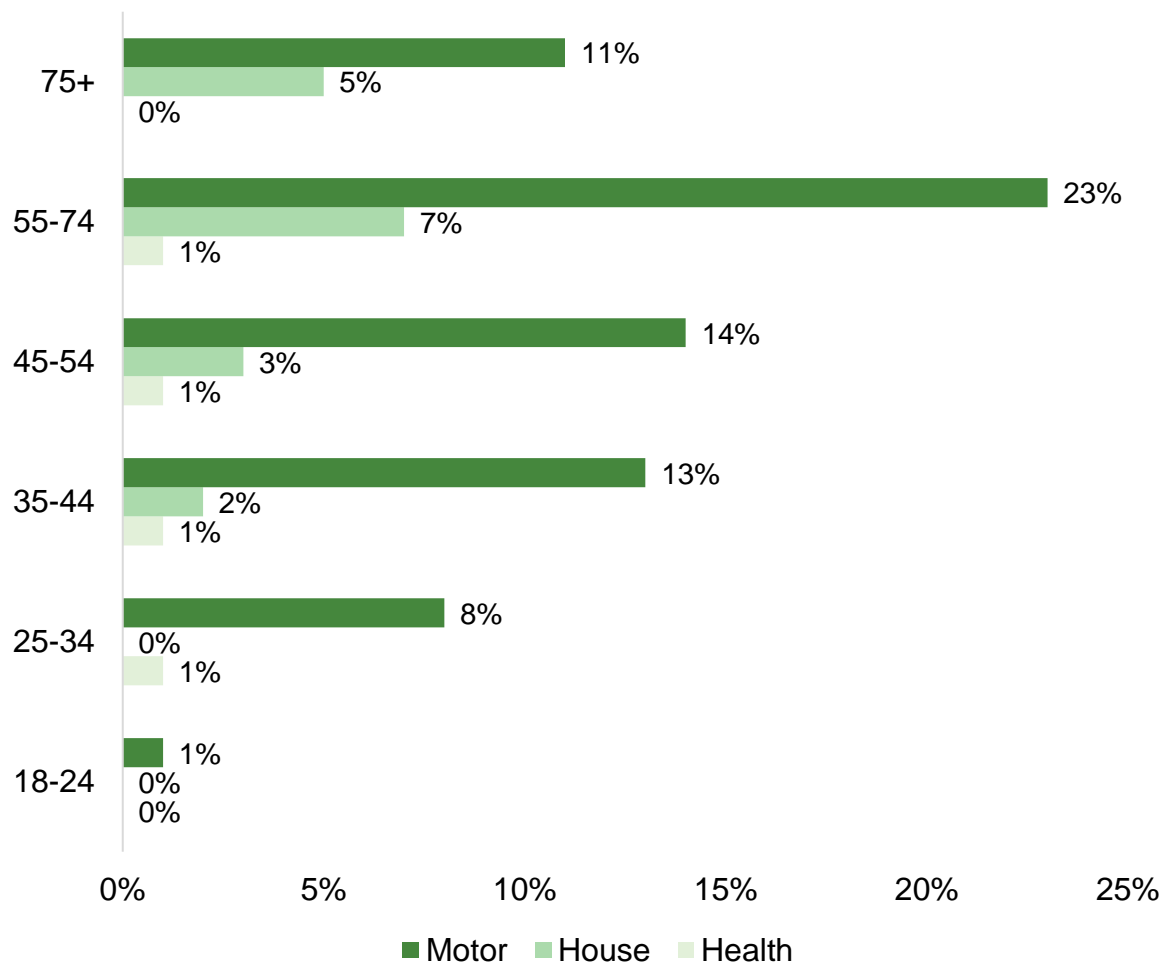
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Appendix 5 | Portfolio Analysis

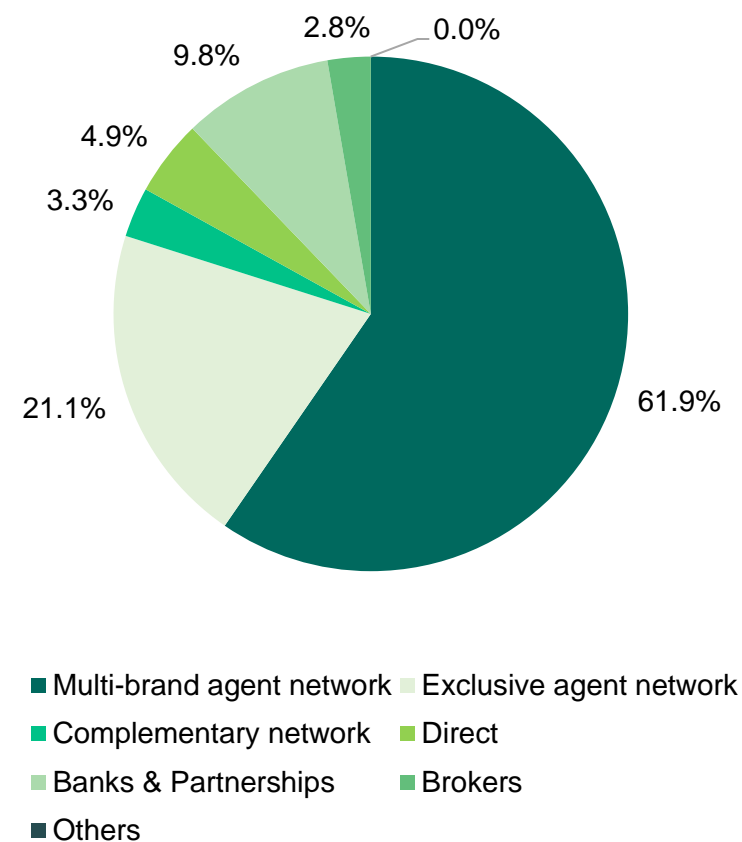
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Distribution of Top 3 Entry Product, by Age (%)



Graph 24 – Distribution of TOP 3 entry products, by age, at Tranquilidade

% of Tranquilidade's particular clients, per distribution channel



Graph 25 – Percentage of Tranquilidade's particular clients, er distribution channel

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Appendix 6 | Consumers' In-Depth Interviews (I/II)

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PRE-SURVEY SCRIPT

- 1) What is your age?
- 2) Do you live in Portugal, for a minimum period of 3 years?
- 3) What is your gender?
- 4) Did you buy or renewed any insurance product, in Portugal, in the last 3 years?
- 5) Would you be willing to participate in a in-depth interview, to help a master thesis project?



CUSTOMERS INTERVIEWS' SCRIPT

Warm-up: Hello and welcome to our research! We would like to thank you in advance for your availability to participate in this study. As part of the Master's in Management Thesis project at NOVA SBE, we are studying how consumers engage with insurers and the factors that influence their retention in the insurance industry. In order to perform this, we will use a particular technique which is the non-directive method. You are free to tell me whatever comes to your mind. Please, notice that there are no right or wrong answers. Your responses and your data will be 100% anonymous and will be treated only for the purpose of this study. If you do not mind, the Group will record the interview, just as a facilitator for data analysis, and it will last approximately 45 minutes.

- 1) Tell me about the last time you remember of interacting with an insurance company. What happened? How was it?
- 2) Do you have more than one insurance product of the same brand? Why is it?
- 3) What do you value more when buying an insurance?
- 4) Imagine that, in this precise moment, you need to buy insurance. Which steps would you take to its acquisition?
- 5) What would be the ideal journey to buy an insurance product?
- 6) During the term of the insurance product(s), what kind of interaction would you like to have with the insurer?
- 7) (Introduce the projective technique) If Fidelidade/Tranquilidade/Ageas were a person, how would you define them?

Appendix 6 | Consumers' In-Depth Interviews (II/II)

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CUSTOMERS INTERVIEWS' SCRIPT

- 8) Would you like your insurer to provide you with a more personalized experience based on your behavior/history with them? What kind of value-added a more personalized experience would bring to you?
- 9) Do you usually use digital channels (such as the website, app, search engines, ...) to buy insurance and/or consult/compare information about them? If yes, for what reason? If not, why?
- 10) Do you have an insurance app installed on your phone /tablet? If yes: Which one? What led you to install it? What is the purpose of using it? What could it do that is not doing? If no, why?
- 11) What loyalty programs from other companies in other sectors (for example, cars, clothing, beauty products, ...) do you use/know that you would like to see implemented in an insurance company?
- 12) In an insurance brand program where you are awarded in points/cash/miles, do you prefer to exchange more often getting smaller rewards or saving these points in the long-run but getting a more high-valued product/benefit?
- 13) In this insurance brand program, would you like to change your points for what?
- 14) In your opinion, is there anything that insurance companies can offer customers that they do not yet do, as a complement to their core offer (such as partnerships, special offers, positive reinforcements, ...)?
- 15) At the moment, would you recommend a family member, friend or acquaintance, the insurance products and the companies you subscribe to? Why?
- 16) Interviewee's data: age, gender, family situation, pets, sport activities, hobbies.

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Appendix 7 | Executive Board's Interviews (I/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

Pedro Carvalho – Chief Executive Officer (CEO)

- 1) Generali acquired not only Tranquilidade, which is the largest asset of Seguradoras Unidas, but also Açoreana and Logo. At some point in this whole process, the hypothesis that these three brands operate in Portugal under the name Generali was considered? Or the primary objective has always been to maintain the independence of name and branding – in order, perhaps, to even benefit from the knowledge advantages of brands in our country – from each of them?
- 2) In any of the scenarios that were considered, what were the main drivers that substantiated the decision to maintain the differentiation between the brands?
- 3) The acquisition, it should be added, although little did it predict, happened close to the pandemic period that we are still living, which, in one way or another, has changed many industries in the economy, forcing companies to adapt to new customer needs and even how they interact with them. What kind of trends do you foresee that are becoming more and more a reality, namely in terms of the digitalization of the insurance offer, the shopping experience, or the very interaction between customer and service provider, enhanced by the context of the pandemic?
- 4) How has Tranquilidade been working to accelerate this process and mitigate any risks that may arise?
- 5) Contexts of this type also offer opportunities that, if well taken advantage of, can bring financial returns to companies and beyond, contributing to their growth in the markets in which they operate. In this sense, what kind of opportunities do you foresee that will arise, and how were they contemplated in the pre-acquisition thought-process, which will be relevant for the implementation of an increasingly customer-centric strategy, with total focus on the customer, both at the level of product offer as in terms of communications with it?

Appendix 7 | Executive Board's Interviews (II/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

- 6) In the interview he gave to Expresso, at the end of last year, you mentioned that Tranquilidade will invest around 500 million in Portugal during 2021, a figure that may amount to 2 billion euros in the next 3 to 5 years. In the interview, you also said that the restructuring time is over and that it is now time to, and I quote, “affirm the company in the Portuguese market”. What are the main objectives with this investment? How do you cement the image of Tranquilidade in the Portuguese market? Basically, how will this money be used to boost the company's performance in Portugal? What are the pillars of this strategy and how will this statement materialize itself? What does the company's CEO aspire to see, as this strategic orientation is being implemented?
- 7) As Pedro surely know, one of the pillars in our project is to make Tranquilidade a lifetime partner. That is, to have a relationship with the customer that not only lasts but involves the subscription of more insurance products and that also transcends this reality, meaning an interaction beyond the simplicity of paying and renewing, without any other type of touchpoints between both. In practice, as CEO, how do you aim for Tranquilidade to become a lifetime partner? What guidelines would you like to be drawn in the design and subsequent implementation of a loyalty program?
- 8) At the level of the Executive Board, corporate strategy, in what context did the objective of implementing a loyalty program arise? And, in this sense, how do you see the movements in the national market, with AGEAS (with Mundo AGEAS) and Fidelidade (with Vitality) also embarking on this path? Are they, say, a credible threat to the Tranquilidade brand?
- 9) In this sense, and taking advantage of the balance of your last answer, in the specific context of loyalty and engagement, what challenges and opportunities do you foresee that Tranquilidade will face in the coming years?

Appendix 7 | Executive Board's Interviews (III/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

- 10) What role and relevance will a loyalty program assume in this investment that Tranquilidade will make in Portugal?
- 11) Taking into account all your professional experience, what type of loyalty program do you expect to be successful in the insurance industry and what practices do you have as a reference in the industry and outside of it? Namely, programs that include points systems, partnerships, a gamification logic, hyper personalization, reference system, just as some examples.
- 12) Responsibility and sustainability are, in general, themes that are more and more in vogue in the business world, not only because they are truly concerns of organizations but also, from the point of view of communication, it is sexy for brands to position themselves in this way, it is often said, without a concrete materialization of these pillars. As CEO, how, if at all, do you want these concepts to be included in a loyalty program? Do you have any specific ideas about how you would like it to be implemented?

Appendix 7 | Executive Board's Interviews (IV/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

João Barata – Chief Insurance Officer (CIO)

- 1) To begin, we would like to ask you what have been the biggest challenges as Chief Insurance Officer at Tranquilidade, a role that started just before the start of the pandemic, particularly after the acquisition by Generali and in the pandemic context that we are going through. How has this period been? What have been the biggest challenges in the integration of both companies and the one that you have devoted most of your attention to?
- 2) How did the pandemic and changes in consumer habits impact both the supply and demand for Tranquilidade's products?
- 3) Taking into account all your professional experience, what type of loyalty program do you expect to be successful in the insurance industry and what practices do you have as a reference in the industry and outside of it?
- 4) How do you see the movements in the national market, with AGEAS (with Mundo AGEAS) and Fidelidade (with Vitality) also taking this path? Are they a credible threat to the Tranquilidade brand?
- 5) How can Tranquilidade differentiate itself from the offer of loyalty programs that already exist in the market, so that it becomes a reference in the industry?
- 6) Of Tranquilidade's current partners, which could be more relevant in a loyalty program that brings together different partners from different sectors, in order to contribute to the retention of consumers?
- 7) How can companies like Europ Assistance be partners in a loyalty program, taking advantage of the synergies that can be created between Europ Assistance and Tranquilidade?

Appendix 7 | Executive Board's Interviews (V/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

- 8) Do customers want things that are harder to collect, and buy relevant things, or the other way around?
- 9) Should the redeem be from the company or lateralized?
- 10) Since personalization is a growing trend, particularly in the insurance market, what is the strategy that Tranquilidade has to personalize its offer to the needs of its customers?

Appendix 7 | Executive Board's Interviews (VI/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

José Nogueira – Chief Operating Officer (COO)

Objective: To deepen the practical relevance of your area for a loyalty program and to present some study hypotheses to obtain preliminary feedback.

- 1) Throughout the interviews we have had with several people in the Organization, a lot of emphasis has been placed on the app issue. However, the output of what they want with the app has been something different: we have already been told that the app should be a go-to place for users, where they can consult information related to insurance, news; but also that it was a place where there could be a digital card, where the points could be consulted in a possible points system, among a couple more things. Do you have any specific ideas or ideas that you would like to see in the app?
- 2) How do you think the app could be used as a vehicle to enhance a loyalty program?

Possible study hypotheses:

1. The first hypothesis consists in the implementation of a bidirectional system (redeem to be lateralized and internal). In other words, a system of partnerships that benefits both Tranquilidade and the partners of this system, given that the redeem can be both lateralized and internal, and that it unfolds in several modalities that we will address below. What's your opinion?

Appendix 7 | Executive Board's Interviews (VII/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

2. The second hypothesis is to implement a points system. In this case, the points could be collected both with consumption in Tranquilidade and in the partners and later spent in both: in the partners, in discounts on their products and services; at Tranquilidade, discounts on insurance for new policies or a product catalog. This hypothesis, like all of them, will still be studied. However, just with this explanation, what do you think? Does it fit with Tranquilidade and the insurance industry?
3. The third hypothesis follows a best practice that we identified from a Singapore insurer, in which the customer links the consumption of insurance to a specific activity. For example, each time you perform a certain activity, you will be issued a micro insurance policy with 360-day coverage. If José is an active runner, the insurance company collects this information and José can take out insurance that protects him against any risks that may arise in this activity. What do you think?
4. The fourth hypothesis has to do with direct discounts on partners. Here, a Tranquilidade customer could benefit from direct discounts on a network of partners, without any exchange for points or the like. It follows the logic of the NOS card, for example, in which José, if he is a NOS customer, can go to the NOS cinema and benefit from a direct discount on the purchase of tickets. Despite this being seen in a common way in many companies in the most varied sectors, do you think it would be a good way to proceed or is it something that is not worth the time invested, for our project?
5. The fifth hypothesis is to implement a referral system. In this case, if a Tranquilidade customer brought a person into the company's ecosystem, by taking out insurance, this would bring benefits to both. For the current customer, for example, discounts could be given on future policies; for the new customer, he could benefit from an immediate discount on the policy he decides to subscribe to.

Appendix 7 | Executive Board's Interviews (VIII/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

Although this modality had to be tested in different scenarios, what do you think is a system of this genre that would allow you to bring more customers to the Tranquilidade ecosystem?

6. The sixth hypothesis is related to the implementation of an internal points sharing system. Here, first of all, we are assuming that we have a points system in place, and that Tranquilidade's customers would be able to exchange points through the app, as if it were a currency from the insurer itself, and then use it in insurance discounts; or use in partners, for example. This idea seems interesting to us, because it stimulates not only current customers but also non-customers who may be tempted to enter the Tranquilidade ecosystem. What does it look like?
7. The seventh and final hypothesis has to do with the implementation of a digital card in the app, instead of in physical form, that customers could use in the partner network, also helping to increase the use of the app and to be attentive to the push-notifications system that we know is being developed. Bearing in mind that people are increasingly leaving physical cards, we think it would be a good idea to not only contribute to this trend but also to enhance the use of the Tranquilidade app and can serve as a decoy for other types of potential future initiatives. What is your opinion?

Appendix 7 | Executive Board's Interviews (IX/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

Rogério Dias – Chief Distribution Officer (CDO)

- 1) What changes in consumer behavior have you identified and which will change permanently and how will this change the strategic positioning of the brand – from the product offering to its distribution (physical and digital channels)?
- 2) Having a great focus and commercial background and the pandemic season, what are the strategies to follow to reduce churn (policy cancellation)?
- 3) How has Tranquilidade used digital channels to retain customers?
- 4) In your opinion, what are the basic pillars of a possible loyalty program? What would be the purpose of this loyalty program?
- 5) What is the best distribution channel to promote a loyalty and partnership program?
- 6) How can a “digital” loyalty program be promoted by agents to consumers?
- 7) In your professional opinion, what would work best in a loyalty program? Would it be the network be unidirectional or multidirectional?

Appendix 7 | Executive Board's Interviews (X/X)

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EXECUTIVE BOARD INTERVIEWS' SCRIPT

- 8) In your professional opinion, what would be the most meaningful partnerships for clients of Tranquilidade? What potential partnerships, in your opinion, would be relevant for Tranquilidade to develop from a consumer retention perspective? Would an ecosystem of functional partnerships in itself be relevant or other more emotional partnerships?
- 9) How can Tranquilidade make its loyalty program a benchmark in the industry? How can Generali additionally contribute to its success?
- 10) What makes a consumer install the Tranquilidade app?
- 11) To what extent is Tranquilidade different from other players? What is its purpose?
- 12) To what extent would Tranquilidade benefit from a member-get-a-member program? Would such a program make sense (where both the current customer and the potential customer would benefit from discounts or other benefits and that would allow them to bring more customers to Tranquilidade's ecosystem)?
- 13) In your opinion, should a loyalty system include a system of incentives for desirable consumer behaviors through gamification strategies?
- 14) In the short-term, similarly to what has been happening internationally, the Portuguese market will see the entry of organizations that are based on digital – the so-called *InsurTechs* – which will disrupt the market. How has Tranquilidade prepared to face these strategic challenges?
- 15) Has it been considered the possibility, in situations where this makes sense, to establish partnerships with these organizations (*InsurTechs*) with mutual gains for both?
- 16) How has Tranquilidade made its business model more digital and what is its importance in the short-medium term?

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Appendix 8 | Company Specialists' Interviews (I/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

Ana Jorge – Product Manager

We are carrying out a consulting project on the theme of loyalty, in the context of the thesis of the Masters in Management at NOVA SBE, the Consulting Lab. Therefore, we wanted to schedule this meeting with you to have a deeper understanding on how a loyalty program can be integrated into the product offering.

- 1) In order to have a more in-depth and first-person view of what Tranquilidade's Non-Life department is, we would like to ask you what types of products are included in this segment; that is, what are the insurances that make up this product offering offer?
- 2) In this sense, the products that Tranquilidade sells in this segment differ in some way from those of the competition or, by definition, what is Non-Life the same for everyone?
- 3) Which Non-Life insurance products are the most sought after by Tranquilidade's clients and, if you have data for that, what are the reasons?
- 4) With the pandemic crisis of COVID-19, there have been many needs of people who have changed, where insurance is included. During this last year, what changes have you felt, in terms of the Non-Life offer, that may have led to Tranquilidade and to adjust its product offer and, eventually, even the strategy for this area?

Appendix 8 | Company Specialists' Interviews (II/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

- 5) As we mentioned at the beginning, the project we are carrying out has to do with the implementation of a multidisciplinary loyalty system, that is, that includes several initiatives related to loyalty (such as a points system, the reformulation of a system of partners, the creation of something related to gamification, among other alternatives), in order to make Tranquilidade a lifetime partner. In your opinion, what kind of synergies could be created between such a program and the Non-Life offer? That is, what type of insurance, and in what way, could they also be aimed at this type of offer, with benefits for both Tranquilidade and customers?
- 6) Financially, what type of loyalty system would be most beneficial for the Non-Life offer? In other words, I deduce that a loyalty program, based on discounts, in which these discounts are attached to the product offer, reduces the profitability of that same insurance. In this sense, perhaps, a program with a network of partners, where customers of any insurance can benefit, is better for the department than one in which the customer is told "subscribe to insurance X and receive Y percent discount in that store ". How do you see the cost-benefit issue of this type of program for the Non-Life offer?
- 7) In your opinion, and escaping the Non-Life department itself, what kind of loyalty program will make the most sense to apply to an insurance company? As examples, I can give you a system of points, references, something in a game logic, for example.
- 8) From what you know about the insurance industry in Portugal and abroad, is there a loyalty program or initiative that you remember that you consider relevant to look at and whose idea might be interesting to be replicated at Tranquilidade, although adapted to the reality of the company?

Appendix 8 | Company Specialists' Interviews (III/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

- 9) In your personal experience as a consumer of the most varied products, what are the loyalty programs that you use or have used that are top of mind for you
- 10) What kind of partnerships do you value most in such a system? Discounts at UBER? In restaurants? Travels? Health services?
- 11) Do you consider that the users of this loyalty program prefer to have access to benefits that take their time to collect – as it is common in a points system – and to compare relevant things, or to be able to benefit from a direct discount on a certain product or service?
- 12) When implementing a multidisciplinary loyalty program that affects, in one way or another, all departments of Tranquilidade, in a way that Non-Life will work with Marketing for its implementation? Could there be a change in the products offered that enhance the success of the program? How does this dynamic work and will it work?

Appendix 8 | Company Specialists' Interviews (IV/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

Carlos Silva – Direct of Clients and Offer; **Jaime Silva** – North Area Coordinator (Minho); **Jorge Martins** – North Channel Director

- 1) In your opinion, as a person who is close to the agents and, as a consequence, to the customers, what distinguishes us from the competition? What are the Company's competitive advantages, that is, what are the things that, in fact, we do very well and that allow us to stand out?
- 2) What kind of dynamics do you consider necessary to implement in a loyalty system? What should be the basis of a loyalty program? Namely, a points system and a partnership system, for example.
- 3) With regard to the points system, do you consider that the benefits arising from these points should be used by the customer internally – for example, in reducing the policy value – or extendable to a network of partners?
- 4) Regarding the partner network, do you consider that the network should be functional or extended to a wider network of partners – where are supermarkets, beauty institutes, restaurants, for example, are included?
- 5) How can the loyalty system, in general, be successfully implemented in the most commercial area? Would a component of additional incentives be welcome? If so, in what way, and what are the unique and multi-brand differences?
- 6) One of the engagement systems that brands from various industries have been developing is a referral system. In the context of insurance, do you think this would work? Does it fit with Tranquilidade? If so, how could it be implemented?

Appendix 8 | Company Specialists' Interviews (V/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

João Costa - Chief Commercial Officer at Europ Assistance

We are working with Tranquilidade on the creation of the bases and mechanics of what will be a loyalty program, having already had the first Steering and presented some hypotheses of study that we will now validate through an auscultation of the market, with insurance consumers and of Tranquilidade in particular. In this sense, we wanted to speak to João not only for your experience and commercial know-how but also to understand with the Chief Commercial Officer of Europ Assistance what kind of synergies can be created between Tranquilidade with this loyalty program and the services offered by Europ Assistance.

- 1) In your opinion, what should be the basis of a loyalty program, in order for it to be successful? What kind of pillars should such a program, in general, be based on?
- 2) One of the main themes that we are trying to solve is to increase the number of touchpoints between Tranquilidade and the customer, because, in general, the customer only interacts with the brand in two scenarios: either when he has a claim or when he has to pay insurance.
 - So, in this context of the particular case of insurance, how can a loyalty program work?
 - Are there aspects that are more relevant in insurance than they are in other industries, with regard to the creation and implementation of a loyalty program?

Appendix 8 | Company Specialists' Interviews (VI/X)

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- 3) How does Europ Assistance sell these services to customers?
- 4) In what ways can synergies be created between EA services and the loyalty program being set up? Could you go through the integration of some of EA's services, namely iGo?
- 5) What kind of relationship is there between EA and Tranquilidade?
- 6) What kind of services does EA offer? Who are your target customers?
- 7) What type of products has the most output, for each of the targets? Why?
- 8) What types of products have seen the greatest increase in demand?
- 9) What kind of evidence does EA and its products have in sectors other than insurance?
- 10) About Simplar: what it is, why it was created, what the goals are, and how it is going?

Appendix 8 | Company Specialists' Interviews (VII/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

João Gonçalves – Head of Post-Merger Management and Strategy; **Maria João Silva** – Chief Marketing Officer; **Susana Mayer** – Head of Segmentation & Digital Engagement

- 1) We know that the main objective of the loyalty program is not to lose a single customer, and one of the consequences is the increase in the number of policies per customer. In this sense, we would like to know if this loyalty program should be aligned with other objectives or pillars. strategic aspects of Tranquilidade. (e.g., send a message of social responsibility/sustainability, including social networks, changes in the offer of products / services).
- 2) What are the types of interactions during a policy contract?
- 3) Is there a preference between communication channels? SMS, e-mail, push notifications?
- 4) Is personalization an objective of the Loyalty program?
- 5) In your experience in the telecommunications sector and, in particular, at Vodafone, which loyalty programs have worked best and why?
- 6) Is the objective of the project to create a one-dimensional program or a multidisciplinary loyalty program that includes several initiatives?

Appendix 8 | Company Specialists' Interviews (VIII/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

- 7) For what is already thought for internally in relation to loyalty programs, is there any type of channel – be it digital in an app or on the website, for example, or physical, passing through agents, for instance – that you want to privilege? And, in your opinion, what motivations and incentives can lead consumers to stay engaged in each of these channels?
- 8) What is your opinion about the Mundo Ageas card?
- 9) In our analysis, we identified that Tranquilidade does not have active social networks; in fact, the ones we found, namely on Facebook and Instagram, are agent accounts, managed by themselves. In this context, what kind of strategies are being thought of for an effective use of this type of platforms, to be more present in the lives of current, but also future customers? Is the loyalty program supposed to meet a possible new social media strategy?

Appendix 8 | Company Specialists' Interviews (IX/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

João Pinto – Head of Alternative Channels

- 1) What are alternative channels? What is the strategy for each of them? What relevance do these channels have for loyalty and engagement programs?
- 2) What kind of initiatives has Tranquilidade taken based on the one-stop-shopping model?
- 3) What is the strategy and logic of the existing partnerships and how are they communicated to consumers? What kind of partners are targeted?
- 4) In your professional opinion, how does Tranquilidade intend to make its loyalty program a benchmark in the industry?
- 5) With the implementation of a loyalty program, which sectors will be most relevant or even priority to establish partnerships?
- 6) What could Tranquilidade add to a partnership system that already exists to create a much more multidisciplinary loyalty program?
- 7) What is the cost-benefit of using this type of partnership in a loyalty program? (how does Tranquilidade “support” the costs and counterparts of partnerships; if it is through profit margins, there is a sector – commercial, bank, or digital – more financially advantageous for Tranquilidade?)
- 8) In view of Tranquilidade's extended network of partnerships, in your opinion should the loyalty program be redeemed only internally (offering more insurance, policies, discounts) or should it be extended to the partner network? Should this relationship be unidirectional, or bidirectional?

Appendix 8 | Company Specialists' Interviews (X/X)

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COMPANY SPECIALISTS' INTERVIEWS' SCRIPT

- 9) What potential partnerships, in your opinion, would be relevant to add to those that Tranquilidade already has, in terms of consumer retention?
- 10) What kind of engagement and loyalty initiatives does Generali have? What could also make sense to use in Tranquilidade?
- 11) What challenges and opportunities do you foresee that Tranquilidade will face in the coming years because of COVID-19? And which will impact will it have on existing and potential partnerships?

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Appendix 9 | Agents' Interviews (I/II)

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AGENTS INTERVIEWS' SCRIPT

- 1) What made you an insurance agent? What do you like most about the relationship you have with customers? Have you ever been a multi-brand agent?
- 2) What led you to be exclusive and not multi-brand?
- 3) What is a good customer?
- 4) How many policies does a customer normally have?
- 5) Do you feel that customers have insurance on several brands? If so, why? If not, why are they only in Tranquilidade?
- 6) How does Tranquilidade work with agents to keep customers happy?
- 7) Why do you think customers leave Tranquilidade?
- 8) Why do you think customers stay at Tranquilidade?
- 9) How do you get customers? How do customers reach you?
- 10) How do you cultivate the relationship with the customer during the term of the insurance? And what do you do when the term comes to an end?
- 11) How do they cultivate the relationship with the client during the term of the policy and what do they do special (if anything) when the renewal period approaches?
- 12) Do you feel that you are the first channel of contact with customers or do customers come to you after studying the market?
- 13) How does the customer have access to insurance information during the term of the policy (uses you, uses digital platforms ...)?

Appendix 9 | Agents' Interviews (II/II)

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- 14) What do you feel the customer values most in the insurance itself?
- 15) What do you feel the customer values most in the shopping experience?
- 16) What do you feel the client values most in the relationship that is maintained during the term of the policy?
- 17) Do you think they value the agent itself or the insurance company more?
- 18) How do you cultivate loyalty between you and the customer?
- 19) Have you already advised a customer to take out insurance from another brand other than Tranquilidade?
- 20) In your opinion, what are the strengths and weaknesses offered by Tranquilidade from the consumer's perspective?
- 21) In your opinion, what is usually the favorite brand of consumers? Why?
- 22) What does Tranquilidade support you and what should it support you most? (social networks, communication channels, gifts, training, etc.).

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Appendix 10 | Brokers' Interviews (I/II)

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BROKERS INTERVIEWS' SCRIPT

- 1) What made you an insurance broker? What do you like most about the relationship you have with customers? Have you ever been a non-multi-brand agent, or is it exclusive?
- 2) What is a good customer?
- 3) How many policies does a customer normally have?
- 4) Being a multi-brand, do you feel that customers have insurance on several brands? If so, why? If not, why do they have only one brand?
- 5) How do you get customers? How do customers reach you?
- 6) What can brands do to get agents to keep customers with the same insurance company?
- 7) How do you cultivate the relationship with the client during the term of the policy and what makes it special (if anything) when the renewal period approaches?
- 8) Do you feel that you are the first channel of contact with customers or do customers come to you after studying the market?
- 9) How does the client have access to insurance information during the term of the policy (uses you, uses digital platforms ...)?
- 10) Why do you think customers leave Tranquilidade?
- 11) Why do you think customers stay at Tranquilidade?
- 12) What do you feel the customer values most in insurance?
- 13) What do you feel the customer values most in the shopping experience?

Appendix 10 | Brokers' Interviews (II/II)

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- 14) What do you feel the client values most in the relationship that is maintained during the term of the policy?
- 15) Do you think you value the agent itself or the insurance company more?
- 16) How do you cultivate loyalty between you and the customer?
- 17) Being multi-brand, do you try to keep the customer in the same brand or advise you to change to one that benefits you and the customer the most?
- 18) In your opinion, what are the strengths and weaknesses offered by Tranquilidade from the consumer's perspective?
- 19) In your opinion, what is usually the favorite brand of consumers? Why?
- 20) What does Tranquilidade support you and what should it support you most?

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Appendix 11 | Loyalty Experts' Interviews (I/IV)

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LOYALTY EXPERTS' INTERVIEWS' SCRIPT

Warm-up

We are a group of four Masters students in Management at Nova School of Business and Economics (Nova SBE) and we are currently developing our Master's Thesis, subject to the theme of loyalty, particularly in the context of the insurance industry. In this sense, in addition to wanting to talk to insurance professionals, it has always been a priority for us to also develop conversations with professionals from other areas who are specialists in loyalty and everything that involves – from the psychology behind a customer's loyalty to a brand to the design and subsequent assembly of a loyalty program, including all the challenges and opportunities that arise not only in general but also in the particular context of the different industries that use this type of programs. Thus, our main objective with this conversation is to open horizons on this topic, in a relaxed conversation, where we will address relevant issues of loyalty, so that we can also have a more in-depth idea of the different points of view that professionals from different areas can bring when the object of the conversation is exactly the same.

Geral

- 1) In your opinion, what should be the basis for a loyalty program? That is, with all your experience, what are the basic factors that make a loyalty program an excellent loyalty program, leading customers to remain in the brand ecosystem?
- 2) Regarding digital channels, what kind of specifics should a loyalty program have?
- 3) How do companies manage to materialize their value proposition in a loyalty program? What kind of characteristics should these programs have in order for customers to create that emotional connection with the brand?

Appendix 11 | Loyalty Experts' Interviews (II/IV)

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LOYALTY EXPERTS' INTERVIEWS' SCRIPT

Specific

In the specific context of implementing a loyalty program, particularly in the insurance industry, there are three types of concepts that we would like to explore with you, so that you can present us not only your most general opinion about each one, but also any pros and cons, in addition to the parallel for the insurance industry.

- 4) Implementation of a points system, in which those same points would be obtained through purchases both in the insurance company and in functional and non-functional partners – that is, in partners whose activity is directly related to that of insurance and partners whose activity is not directly linked to that of insurance, with redeem – that is, the use of points - to be done only internally, in a unilateral and not lateralized way.
 - a) In general, what are the main advantages and disadvantages of a points program?
 - b) In this type of program, is it an apology that points are earned only for purchases made within the company's ecosystem or also with a network of partners included?
 - c) And redeem? Do you think it should be internal or lateralized?
 - d) What kind of characteristics do you identify in the most successful points programs?

Appendix 11 | Loyalty Experts' Interviews (III/IV)

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LOYALTY EXPERTS INTERVIEWS' SCRIPT

- 5) Implementation of a system of direct discounts, in which customers would benefit from direct discounts in the value of insurance, according to several criteria, such as the number of policies they have in the insurance company, the total value of the portfolio, the years linked to the insurance company, among others.
- a) In general, what are the main advantages and disadvantages of such a system? To open the veil a little, one of the most relevant advantages for the client is the fact of feeling an immediate sensation of benefit, given that the benefit is materialized without having a "build up" until that moment; however, this, for us, is also a disadvantage, because it removes for that gamification logic, which "obliges" the customer to remain in the brand to be worthy of those same discounts. In terms of advantages and disadvantages, how do you see this type of program?
- b) What are the main factors that companies should be aware of when implementing a direct discount program, particularly an insurance company?
- 6) Implementation of a soft engagement system, in which the company interacts with customers – via SMS, app notifications, or e-mail, for example –, sharing news, relevant facts, preventive messages, or other types of messages with them. initiatives. In addition, it would create challenges that enhance the engagement between customer and service provider, with customers being able, for example, to earn points (in the case of a points system) or other type of advantage.
- a) In general, what are the main advantages and disadvantages of a points program, particularly in a very specific way of taking advantage of digital for this type of initiatives?
- b) In terms of features, what kind of features should an app have in order to create the desire for customers to use it?

Appendix 11 | Loyalty Experts' Interviews (IV/IV)

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- c) What kind of communication is effective in these types of programs? Sending news? Preventive messages? How do you see this type of soft engagement strategy?
- 7) Implementation of a referral system, in which the customer has the possibility of referring a friend to the brand, bringing it into the brand's ecosystem, and thereby gaining a specific set of benefits.
 - a) In general, what are the main advantages and disadvantages of a referral program?
 - b) How should the customer benefit? And, if in any way, the person who entered the ecosystem?

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Appendix 12 | Academic Experts' Interviews

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ACADEMIC EXPERTS' INTERVIEWS' SCRIPT

Professor Dr. Ilya Okhmatovskiy

- Alignment of the Loyalty program with the strategy;
- Evaluate if Tranquilidade has capabilities to deliver a proper loyalty program;
- Identify if there is potential to implement a loyalty program.

Professor Dr^a. Lena Kemma

- Research methodology;
- Pre-survey criteria;
- In-depth guidelines;
- Survey script;
- Focus group methodology.

Professor Dr. Nadim Habib

- Value proposition definition;
- Defining loyalty;
- Define the goal of the loyalty program;
- Customer journey.

Professor Dr. Pedro Neves

- Change management;
- Employee integrations and motivation;
- Necessity of upskilling;
- Syndication and cocreation within all levels and departments.

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Appendix 13 | Survey's Script (I/IV)

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SURVEY'S SCRIPT

Warm-up: Dear respondent, we are a group of students from the Nova School of Business and Economics, and we are currently working on the Master thesis, in the context of the Masters in Management program. We would like to request for your help by answering this survey concerning the insurance industry. This survey takes about 15 minutes to complete. All answers will be anonymous, and the data will only be used for the purpose of this project. Thank you for participating!

- 1) The eligibility to answer this survey is based, simultaneously, on three factors. The individual: age is above 18 years old; residence is in Portugal for a minimum period of 3 years; have contracted a minimum of one insurance product, regardless of its type, in the last three years. (Confirm/Not confirm)
- 2) When you think about insurance, what is the first brand that comes to your mind? (Open Text Box)
- 3) Regarding the insurance brands presented, which are the ones do you know? You can select more than one. (Select box)
- 4) From the brand(s) that you know, which ones have been a consumer? You can select more than one. (Select box)
- 5) On a scale from 0 to 10, how likely is it to recommend the following insurer(s) to a friend or colleague? (Select box and rate)
- 6) On a scale from 1 (Extremely irrelevant) to 7 (Extremely relevant), rate the relevance you attribute to the following factors, when choosing an insurance product. (Select box and rate)
- 7) Which of the following channels have you already used to purchase insurance? You can select more than one. (Select box)
- 8) Would you like to purchase insurance through other channels, that you have not used yet? (Yes/No)

If answered YES:

- 8.1) In which of the following channels would you like to purchase insurance products, that you have NOT YET used for that purpose? You can select more than one (Select Box)

Appendix 13 | Survey's Script (II/IV)

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SURVEY'S SCRIPT

- 9) On a scale from 1 (Totally disagree) to 7 (Totally agree), rate your level of agreement with the following statements. (Select box and rate)
- 10) In the event of a sinister, in which ways would you prefer to interact with your insurance firm? You can select more than one. (Select box)
- 11) What makes you loyal to your insurer? (Open text box)
- 12) From the following presented reasons, which are the ones that make you stay loyal to your insurer? You can select more than one. (Select box)
- 13) How would you like to be rewarded for remaining loyal to your insurer? (Open text box)
- 14) From the following presented reasons, which are the ones that would you like to be rewarded for staying loyal to your insurer? You can select more than one. (Select box)
- 14.1) Based on your answer to the previous question, order the following selected options, by preference. (Rank)
- 15) A loyalty program is designed to encourage the consumer of a particular brand, to remain with it, in exchange of benefits offered by the company. Taking this into account, from the following loyalty programs, which are the ones that you know? You can select more than one option. (Select box)
- 15.1) From the loyalty programs you know, select the ones that you use the most. (Select box)
- 16) A loyalty program, as a strategy for attracting and retaining customers, aims to reward customers in different ways, through a set of benefits that can be offered to them. On a scale from 1 (Totally disagree) to 7 (Totally agree), rate your level of agreement with each of the options as ways to obtain benefits, in the context of a loyalty program. (Select box and rate)
- 16.1) If "Preventive habits" was selected: On a scale from 1 (Totally disagree) to 7 (Totally agree), rate your level of agreement with each of the options related to the practice of healthy and preventive habits, as vehicles for obtaining benefits, in the context of a loyalty program. (Select box and rate)

Appendix 13 | Survey's Script (III/IV)

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SURVEY'S SCRIPT

- 17) In a loyalty program, it is a common practice to include a network of partners, whether they are related to the company's scope or not. Would you like to accumulate benefits related to the loyalty program, through partners of your insurance company? (Yes/No)
- 17.1) If answered yes: On a scale from 1 (Extremely irrelevant) to 7 (Extremely relevant), rate the relevance of the following insurance-related partners, in order to accumulate benefits. (Select box and rate)
- 17.2) If answered yes: On a scale from 1 (Extremely irrelevant) to 7 (Extremely relevant), rate the relevance of the following non-insurance-related partners, in order to accumulate benefits. (Select box and rate)
- 18) The benefits of the loyalty program could be used on products of your insurance company, or on the partners of the loyalty program. Where would you like to use the benefits obtained in the program? (Select box)
- 19) If you could use the benefits in a partner network, in what kind of partners would you like to use ? Note: A network of partners is made up of companies whose activity is not related to insurance. (Select box)
- 20) What are the main reasons that lead you to choose non-insurance partners? (Open text box)
- 21) A loyalty program can be distributed not only through digital channels but also through physical channels. Taking this into account, in which type of channels would you prefer to subscribe to a loyalty program in the insurance industry? You can select more than one option. (Select box)
- 22) How would you prefer to use a loyalty program in the insurance industry? You can select more than one option. (Select box)

Appendix 13 | Survey's Script (IV/IV)

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SURVEY'S SCRIPT

23) Do you have any insurance app installed on your mobile phone? (Yes/No)

23.1) If yes: What reasons led you to install the app? You can select more than one option. (Select box)

23.2) If no: What reasons would lead you to install the app? You can select more than one option. (Select box)

24) A referral system aims to reward/benefit consumers by referring a brand to an acquaintance and consequently, bringing another customer into the brand's ecosystem. These benefits can be provided only to the referee or to both. On a scale from 1 (Totally disagree) to 7 (Totally agree), rate your level of agreement with the following statements. (Select box and rate)

25) What types of loyalty programs do you prefer? You can select more than one. (Select box)

26) On a scale from 1 (Extremely irrelevant) to 7 (Extremely relevant), rate how relevant to you is the implementation of a loyalty system in the insurance industry?

27) Respondent's data: nationality, gender, district of residence, age, household size, level of education, occupation, monthly income, and amount spent in insurance (yearly).

28) Would you be available to participate in a focus group, which consists of an idea's discussion group, with the reward of a voucher to be spent at Continente? (Yes/No)

24.1) If yes: Data collection (name, e-mail or mobile phone number)

Appendix: Agenda

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Appendix 14 | Survey's Layout (I/XX)

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Caro/a participante,

Somos um grupo de estudantes da Nova School of Business and Economics (NOVA SBE) e estamos a trabalhar na nossa Tese de Mestrado, no contexto do programa do Mestrado em Gestão.

Gostaríamos, neste sentido, de pedir a sua participação neste inquérito relativamente à indústria de seguros.

O inquérito demora, aproximadamente, 15 minutos a completar.

Todas as respostas serão anónimas e os dados recolhidos serão apenas utilizados para o propósito deste estudo.

Obrigado pela sua participação!

Para quaisquer questões que possam surgir, por favor, contacte:

- Bernardo Salvador: 41209@novasbe.pt
- Cristiana Stephani: 41615@novasbe.pt
- Diogo Marques: 41006@novasbe.pt
- Mariana Figueiras: 43474@novasbe.pt



A elegibilidade para responder a este questionário assenta, de forma simultânea, em três fatores:

- a) Ser maior de idade, isto é, ter mais de 18 anos de idade;
- b) Residir em Portugal há pelo menos três anos;
- c) Ter contratado e/ou renovado o mínimo de um (1) seguro, independentemente do seu tipo e/ou seguradora, nos últimos três anos.

Com base nos três critérios acima identificados, confirma a sua elegibilidade para responder ao presente questionário?

Sim, confirmo a minha elegibilidade

Não, não sou elegível e/ou não quero participar no estudo

Exhibit 20 – Survey

Exhibit 21 – Survey

Appendix 14 | Survey's Layout (II/XX)

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Quando pensa em seguros, qual a **primeira marca** que lhe vem a cabeça?

Exhibit 22 – Survey



Das marcas de seguros apresentadas, qual/quais **conhece?**
(Pode selecionar mais do que uma opção)

AGEAS

Allianz

Fidelidade

Generali

Liberty

Logo

Lusitânia

Mapfre

Occidental

Okl teleseguros

Tranquilidade

Zurich

Se outra(s), qual/quais?

Exhibit 23 – Survey

Appendix 14 | Survey's Layout (III/XX)

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Options are the answers provided to the previous question.



Da(s) marca(s) que conhece, de qual/quais **é ou já foi cliente?**
(Pode selecionar mais do que uma opção)

Logo
Lusitânia
Mapfre
Tranquilidade
Se outra(s), qual/quais?
<input type="text"/>

Exhibit 24 – Survey

Options are the answers provided to the previous question.



Numa escala de 0 a 10, qual a probabilidade de **recomendar** a(s) seguinte(s) seguradora(s)
a um amigo ou colega?

	0	1	2	3	4	5	6	7	8	9	10
Lusitânia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mapfre	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tranquilidade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Exhibit 25 – Survey

Appendix 14 | Survey's Layout (IV/XX)

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Classifique a relevância que atribui aos seguintes fatores **na escolha** de um seguro.

	1 - Extremamente Irrelevante	2 - Muito Irrelevante	3 - Irrelevante	4 - Indiferente	5 - Relevante	6 - Muito Relevante	7 - Extremamente Relevante
Preço (Prémio)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Penalizações/Bonificações (aumento/diminuição do prémio)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Desconto/Promoção	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oferta diversificada de seguros	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reputação da marca	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confiança no agente de seguros	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parcerias oferecidas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Se outro(s), qual/quais? <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Exhibit 26 – Survey



Qual/Quais dos seguintes canais já utilizou para a **compra** de um seguro?
(Pode selecionar mais do que uma opção)

- App
- Website
- Agente exclusivo
- Agente multimarca
- Telefone
- E-mail
- Whatspp
- Se outro(s), qual/quais?

Exhibit 27 – Survey

Appendix 14 | Survey's Layout (V/XX)

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Gostaria de adquirir seguros através de outros canais **que ainda não tenha utilizado?**

 Sim

 Não

- Question presented only to those that answered “Yes” to the question presented on Exhibit 28.
- Options that were not selected in the question presented on Exhibit 27.



Em qual/quais dos seguintes canais gostaria de adquirir um seguro **que ainda não tenha utilizado para esse propósito?**

(Pode selecionar mais do que uma opção)

 Agente exclusivo

 Agente multimarca

 Telefone

 E-mail

 Whatspp

 Se outro(s), qual/quais?

Appendix 14 | Survey's Layout (VI/XX)

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Classifique de 1 - "Discordo Totalmente" a 7 - "Concordo Totalmente" o seu **nível de concordância** com as seguintes afirmações apresentadas.

	1 - Discordo Totalmente	2 - Discordo	3 - Discordo Parcialmente	4 - Não concordo nem discordo	5 - Concordo Parcialmente	6 - Concordo	7 - Concordo Totalmente
Quero interagir com a minha seguradora, à exceção de situação de sinistro.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gostaria que a minha seguradora me enviasse notificações sobre a minha atividade física, com base em dados recolhidos.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gostaria que a minha seguradora partilhasse comigo as notícias mais relevantes, por categoria à minha escolha.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gostaria que a minha seguradora me enviasse uma mensagem de feliz aniversário.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gostaria que a minha seguradora me propusesse desafios com os quais pudesse ganhar vantagens (descontos, ofertas, entre outros).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gostaria que a minha seguradora partilhasse comigo, via notificações da app, SMS, ou e-mail, dicas informativas relacionadas com prevenção e/ou segurança.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gostaria de usufruir de campanhas promocionais da minha seguradora.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gostaria de ser premiado por me manter leal à minha seguradora.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Em caso de **sinistro**, de que forma(s) prefere que a sua seguradora **interaja consigo**?
(Pode selecionar mais do que uma opção)

App

Website

Agente em representação da seguradora

Telefone

E-mail

SMS

Whatsapp

Redes sociais

Se outro(s), qual/quais?

Appendix 14 | Survey's Layout (VII/XX)

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O que o/a faz **manter-se leal** à sua seguradora?

Exhibit 32 – Survey



Dos seguintes motivos apresentados, qual/quais o/a faz(em) **manter-se leal** à sua seguradora?

(Pode selecionar mais do que uma opção)

Preço (Prémio)

Penalizações/Bonificações (aumento/diminuição do prémio)

Localização da seguradora/mediadora

Confiança no meu agente de seguros

Parcerias oferecidas

Desconto (Promoção)

Cobertura da apólice e/ou exclusões

Oferta diversificada de seguros

Reputação da marca

Período de carência nas alternativas existentes

Comparticipação fora da rede

Se outro(s), qual/quais?

Exhibit 33 – Survey

Appendix 14 | Survey's Layout (VIII/XX)

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De que forma(s) gostaria de ser **premiado/a** por se manter **leal** à sua seguradora?



Das seguintes formas apresentadas, através de qual/quais gostaria de ser **premiado/a** por se manter **leal** à sua seguradora?

(Pode selecionar mais do que uma opção)

Bilhetes para festivais e/ou concertos

Descontos nos seguros contratados

Eventos privados e exclusivos a clientes leais à marca

Experiências exclusivas

Equipamentos tecnológicos

Merchandising (Exemplo: brindes)

Seguros adicionais como oferta

Se outro(s), qual/quais?

Appendix 14 | Survey's Layout (IX/XX)

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Options that were not selected in the question presented on Exhibit 35.



Com base na sua resposta à pergunta anterior, ordene as seguintes opções selecionadas, **por ordem de preferência**.

Bilhetes para festivais e/ou concertos

Descontos nos seguros contratados



Um programa de fidelização tem o propósito de **incentivar** o consumidor de uma determinada marca a **manter-se como seu cliente** em troca de um ou mais benefícios que lhe sejam oferecidos pela empresa.

Dos seguintes programas de fidelização, qual/quais **conhece**?
(Pode selecionar mais do que uma opção)

Cartão Continente

Cartão Poupa Mais

Cartão Fnac

Cartão Worten Resolve

Cartão Galp+

Cartão BP premium plus

Cartão Sephora

Like Me - Perfumes e Companhia

IKEA Family

Cartão da Casa Leroy Merlin

Programa MEOS

Clube Viva - Vodafone

Miles&Go - TAP

Emirates Skywards

EDP Zero

Viagens & Vantagens - Via Verde

Se outro(s), qual/quais?

Nenhum

Appendix 14 | Survey's Layout (X/XX)

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Options that were not selected in the question presented on Exhibit 37.

Do(s) programa(s) de fidelização que conhece, selecione aquele(s) que **mais utiliza**.

Cartão Continente

Cartão Poupa Mais



Um programa de fidelização, como estratégia de captação e retenção de clientes, tem como objetivo premiar os clientes de diversas formas, através de um conjunto de benefícios que lhes podem ser oferecidos.

Classifique o seu nível de concordância com cada uma das opções como **formas para a obtenção de benefícios**, no contexto de um programa de fidelização.

	1 - Discordo Totalmente	2 - Discordo	3 - Discordo Parcialmente	4 - Não concordo nem discordo	5 - Concordo Parcialmente	6 - Concordo	7 - Concordo Totalmente
Nº de apólices na seguradora	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Valor de carteira na seguradora	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anos de fidelização com a seguradora	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baixo nível de sinistralidade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Por cada compra adicional de seguros	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Por cada compra num parceiro da seguradora	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Por interações com a marca (ex.: partilha nas redes sociais ou resposta a inquérito)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prática de hábitos preventivos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Referenciar novos clientes para a seguradora	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Se outra(s), qual/quais?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix 14 | Survey's Layout (XI/XX)

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Num programa de fidelização é prática comum a **inclusão de uma rede de parceiros**, estejam eles relacionados ou não com a atividade da empresa.

Gostaria de **acumular benefícios** relativos ao programa de fidelização através de parceiros da sua seguradora?

Sim

Não

Exhibit 40 – Survey

Question presented only to those that answered “Yes” to the question presented on Exhibit 40.



Classifique de 1 - "Extremamente Irrelevante" a 7 - "Extremamente Relevante" a relevância que atribui aos seguintes parceiros **relacionados com seguros**, para acumular benefícios.

	1 - Extremamente Irrelevante	2 - Muito Irrelevante	3 - Irrelevante	4 - Indiferente	5 - Relevante	6 - Muito Relevante	7 - Extremamente Relevante
Instituições Bancárias	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de saúde e bem-estar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de oficina e manutenção automóvel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de manutenção habitacional (Exemplos: canalização, pintura, entre outros)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Se outro(s), qual/quais? <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Exhibit 41 – Survey

Appendix 14 | Survey's Layout (XII/XX)

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Question presented only to those that answered "Yes" to the question presented on Exhibit 40.



Classifique de 1 - "Extremamente Irrelevante" a 7 - "Extremamente Relevante" a relevância que atribui aos seguintes parceiros **relacionados com seguros**, para acumular benefícios.

	1 - Extremamente Irrelevante	2 - Muito Irrelevante	3 - Irrelevante	4 - Indiferente	5 - Relevante	6 - Muito Relevante	7 - Extremamente Relevante
Instituições Bancárias	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de saúde e bem-estar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de oficina e manutenção automóvel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de manutenção habitacional (Exemplos: canalização, pintura, entre outros)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Se outro(s), qual/quais? <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Exhibit 42 – Survey

Question presented only to those that answered "Yes" to the question presented on Exhibit 40.



Classifique de 1 - "Extremamente Irrelevante" a 7 - "Extremamente Relevante" a relevância que atribui aos seguintes parceiros **não relacionados com seguros**, para acumular benefícios.

	1 - Extremamente Irrelevante	2 - Muito Irrelevante	3 - Irrelevante	4 - Indiferente	5 - Relevante	6 - Muito Relevante	7 - Extremamente Relevante
Comércio de veículos (automóveis e não-automóveis)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gasolineiras	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hipermercados, Supermercados, e similares	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviço de energia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lojas de roupa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços estéticos e cosméticos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de hotelaria e restauração	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prestadores de serviços de entretenimento (cinema, eventos culturais e desportivos, entre outros)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Retalho informático, de eletrodomésticos, decoração e mobiliário	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Plataformas de e-commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Se outro(s), qual/quais? <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Exhibit 43 – Survey

Appendix 14 | Survey's Layout (XIII/XX)

[Back to Survey](#)

Question presented only to those that answered “Yes” to the question presented on Exhibit 40.



Os benefícios do programa de fidelização poderiam ser utilizados em produtos da sua seguradora ou nos parceiros do programa de fidelização.

Onde gostaria de **utilizar** os benefícios obtidos no programa?

Seguradora

Rede de parceiros

Ambos

Exhibit 44 – Survey

Question presented only to those that answer “Yes” to the question presented on Exhibit 40.



Se pudesse utilizar os benefícios numa **rede de parceiros**, em que tipo de **parceiros** gostaria de o fazer?

Nota: Uma rede de parceiros é composta por empresas cuja atividade está ou não relacionada com a dos seguros.

Parceiros relacionados com seguros (Exemplos: assistência automóvel, prestadores de cuidados de saúde, entre outros)

Parceiros não relacionados com seguros (Exemplos: retalho alimentar, retalho têxtil, prestadores de serviços de estética e beleza, entre outros)

Ambos

Exhibit 45 – Survey

Appendix 14 | Survey's Layout (XIV/XX)

[Back to Survey](#)

Question presented only to those that answer “Yes” to the question presented on Exhibit 40.



Um programa de fidelização pode ser distribuído não só por canais digitais como também por canais físicos.

Em que tipo(s) de canal/canais privilegiaria a **subscrição** de um programa de fidelização, no setor dos seguros?

(Pode seleccionar mais do que uma opção)

App da seguradora

Agentes/Mediadores de seguros

Parceiros relacionados ou não com seguros

Website da seguradora

Se outro(s), qual/quais?

Exhibit 46 – Survey

Question presented only to those that answered “Yes” to the question presented on Exhibit 40.



Através de que forma(s) privilegiaria a **utilização** de um programa de fidelização, no setor dos seguros?

(Pode seleccionar mais do que uma opção)

App da seguradora (Exemplo: através de cartão virtual/QR code)

Cartão Físico (Exemplo: ao mostrar o cartão de cliente numa rede de parceiros)

Dados Pessoais (Exemplo: facultar o NIF e/ou número de telemóvel)

Website da seguradora (Exemplo: aceder à Área de Cliente através do site)

Se outra(s), qual/quais?

Exhibit 47 – Survey

Appendix 14 | Survey's Layout (XV/XX)

[Back to Survey](#)

Tem alguma **aplicação de seguros** instalada no seu telemóvel?

 Sim

 Não

Exhibit 48 – Survey

Question presented only to those that answered “Yes” to the question presented on Exhibit 40.



Qual/Quais o(s) motivo(s) que o/a **levou/levaram** a instalar a aplicação?
(Pode selecionar mais do que uma opção)

 Acesso a descontos e/ou prémios

 Campanha de marketing

 Oferta de informação diversificada (notícias, novidades, entre outros)

 Possibilidade de consultar o meu histórico de cliente

 Possibilidade de fazer a participação de um sinistro

 Possibilidade de consultar rede de parceiros

 Relação com a marca

 Pesquisa na App Store / Play Store

 Recomendação de terceiros (amigos, família, entre outros)

 Recomendação de "influencers" digitais

 Se outro(s), qual/quais?

Exhibit 49 – Survey

Appendix 14 | Survey's Layout (XVI/XX)

[Back to Survey](#)

Tem alguma **aplicação de seguros** instalada no seu telemóvel?

 Sim

 Não

Exhibit 50 – Survey

Question presented only to those that answered “Yes” to the question presented on Exhibit 50.



Qual/Quais o(s) motivo(s) que o/a **levou/levaram** a instalar a aplicação?
(Pode selecionar mais do que uma opção)

 Acesso a descontos e/ou prémios

 Campanha de marketing

 Oferta de informação diversificada (notícias, novidades, entre outros)

 Possibilidade de consultar o meu histórico de cliente

 Possibilidade de fazer a participação de um sinistro

 Possibilidade de consultar rede de parceiros

 Relação com a marca

 Pesquisa na App Store / Play Store

 Recomendação de terceiros (amigos, família, entre outros)

 Recomendação de "influencers" digitais

 Se outro(s), qual/quais?

Exhibit 51 – Survey

Appendix 14 | Survey's Layout (XVII/XX)

[Back to Survey](#)

Question presented only to those that answered “Yes” to the question presented on Exhibit 50.



Qual/Quais o(s) motivo(s) que o/a **levou/levaram** a instalar a aplicação?
(Pode seleccionar mais do que uma opção)

Acesso a descontos e/ou prémios

Campanha de marketing

Oferta de informação diversificada (notícias, novidades, entre outros)

Possibilidade de consultar o meu histórico de cliente

Possibilidade de fazer a participação de um sinistro

Possibilidade de consultar rede de parceiros

Relação com a marca

Pesquisa na App Store / Play Store

Recomendação de terceiros (amigos, família, entre outros)

Recomendação de "influencers" digitais

Se outro(s), qual/quais?

Exhibit 52 – Survey

Question presented only to those that answered “No” to the question presented on Exhibit 50.



Qual/Quais o(s) motivo(s) que o/a **levariam** a instalar a aplicação?
(Pode seleccionar mais do que uma opção)

Acesso a descontos e/ou prémios

Campanha de marketing

Oferta de informação diversificada (notícias, novidades, entre outros)

Possibilidade de consultar o meu histórico de cliente

Possibilidade de fazer a participação de um sinistro

Possibilidade de consultar rede de parceiros

Relação com a marca

Pesquisa na App Store / Play Store

Recomendação de terceiros (amigos, família, entre outros)

Recomendação de "influencers" digitais

Se outro(s), qual/quais?

Exhibit 53 – Survey

Appendix 14 | Survey's Layout (XVIII/XX)

[Back to Survey](#)

Um **sistema de referência** é aquele em que um consumidor é **premiado/beneficiado** por referenciar uma marca a um conhecido, e assim trazer mais um cliente para dentro do ecossistema da marca. Estes **benefícios** podem ser providenciados apenas a quem **referenciou** ou também a este último e ao/à **referenciado/a**.

Classifique de 1 - "Discordo Totalmente" a 7 - "Concordo Totalmente" o seu **nível de concordância** com as seguintes afirmações.

	1 - Discordo Totalmente	2 - Discordo	3 - Discordo Parcialmente	4 - Não concordo nem discordo	5 - Concordo Parcialmente	6 - Concordo	7 - Concordo Totalmente
Recomendaria a seguradora a amigos/familiares/conhecidos se ganhasse algum benefício com isso.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recomendaria a seguradora a amigos/familiares/conhecidos se ambos ganhassem algo com isso.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A existência de um sistema de referência numa seguradora influencia a minha decisão de escolhê-la ou de renovar a apólice.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A recomendação de um amigo/familiar/outro influencia a minha decisão de escolher essa seguradora.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Exhibit 54 – Survey



Que tipo(s) de **programa(s) de fidelização** prefere?
(Pode selecionar mais do que uma opção)

 Sistema de pontos

 Descontos Diretos (em produtos/serviços da marca e/ou parceiros)

 Se outro(s), qual/quais?

 Nenhum

Exhibit 55 – Survey

Appendix 14 | Survey's Layout (XIX/XX)

[Back to Survey](#)

Para si, quão relevante é a **implementação de um sistema de fidelização no setor dos seguros**?

1 - Extremamente Irrelevante	2 - Muito Irrelevante	3 - Irrelevante	4 - Indiferente	5 - Relevante	6 - Muito Relevante	7 - Extremamente Relevante
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Exhibit 56 – Survey



Qual é a sua nacionalidade?

Portuguesa

Se outra, qual?

Com que género se identifica?

Feminino

Masculino

Prefiro não responder

Em que distrito reside?

Exhibit 57 – Survey

Appendix 14 | Survey's Layout (XX/XX)

[Back to Survey](#)

Qual é a sua idade?

18-24

25-34

35-44

45-54

55-74

75+

Por quantas pessoas é composto o seu agregado familiar?

1

2

3

4

5+

Exhibit 58 – Survey

Qual é o seu nível de escolaridade completo?

Qual a situação profissional em que se encontra?

Qual é o rendimento bruto mensal total dentro do seu agregado familiar?

0-750€

750€-1.500€

1.501€ - 3.000€

3.001€ - 5.000€

5.001€ - 10.000€

>10.000

Não sei e/ou Prefiro não responder

Qual o valor despendido em seguros, aproximadamente, do seu agregado familiar (anualmente)?

Exhibit 59 – Survey

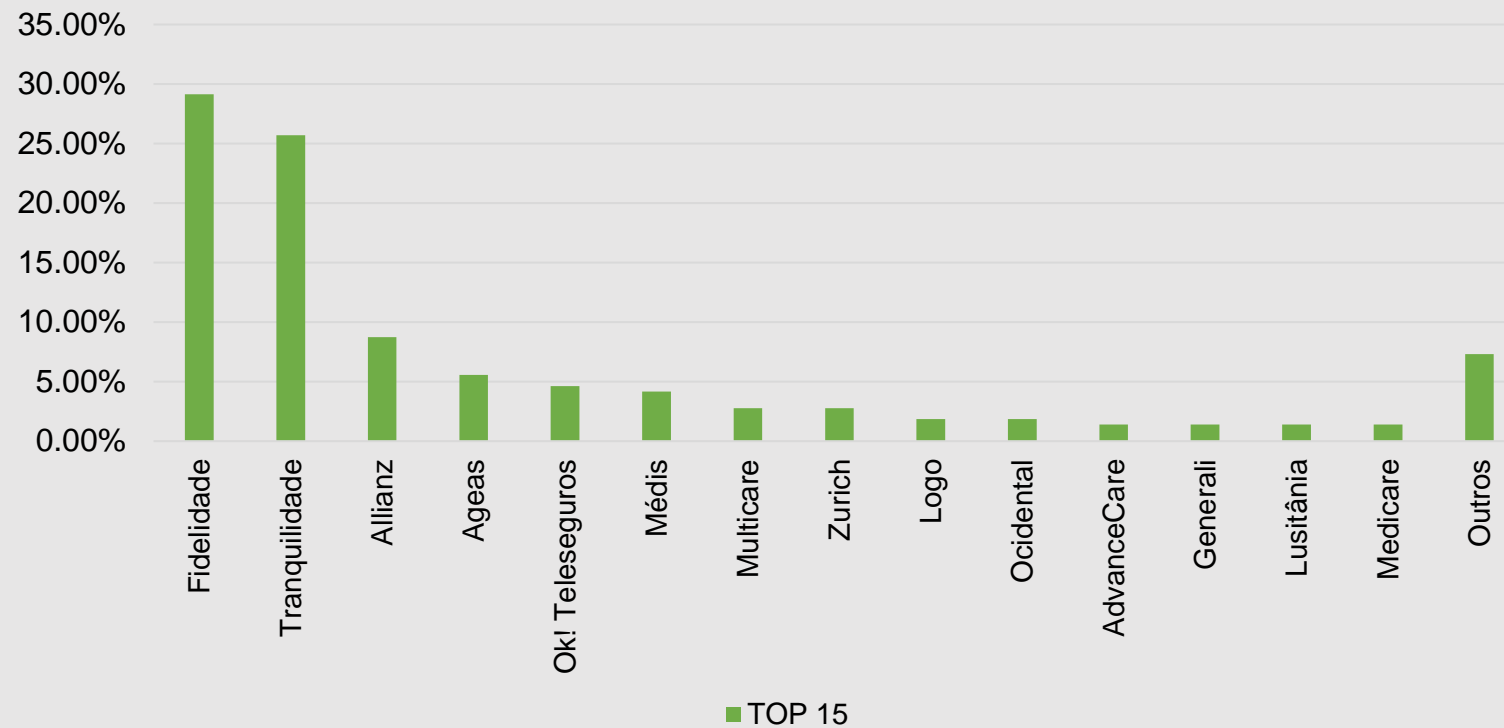
Appendix: Agenda

1. [Appendix 1 – Project Team](#)
2. [Appendix 2 – Acknowledgements](#)
3. [Appendix 3 – Interviews’ Contributors](#)
4. [Appendix 4 – Best Practices](#)
5. [Appendix 5 – Portfolio Analysis](#)
6. [Appendix 6 – Consumers’ In-Depth Interviews](#)
7. [Appendix 7 – Executive Board’s Interviews](#)
8. [Appendix 8 – Company Specialists’ Interviews](#)
9. [Appendix 9 – Agents’ Interviews](#)
10. [Appendix 10 – Brokers’ Interviews](#)
11. [Appendix 11 – Loyalty Experts’ Interviews](#)
12. [Appendix 12 – Academic Experts’ Interviews](#)
13. [Appendix 13 – Survey’s Script](#)
14. [Appendix 14 – Survey’s Layout](#)
15. **[Appendix 15: Survey’s Data](#)**
16. [Appendix 16: Benefits Collection’s Considerations](#)
17. [Appendix 17: Redeem’s Considerations](#)
18. [Appendix 18 – Financial Analysis’ Considerations](#)
19. [Appendix 19: Detailed KPIs](#)
20. [Appendix 20: Detailed Pilot Plan](#)

Appendix 15 | Survey's Data (I/XXIV)

[Back to Survey](#)**When you think about insurance, what is the first brand that comes to your mind?**

(PT: Quando pensa em seguros, qual a primeira marca que lhe vem a cabeça?)



Appendix 15 | Survey's Data (II/XXIV)

[Back to Survey](#)

Of the insurance brands presented, which one do you know?

(PT: Das marcas de seguros apresentadas, qual/quais conhece?)

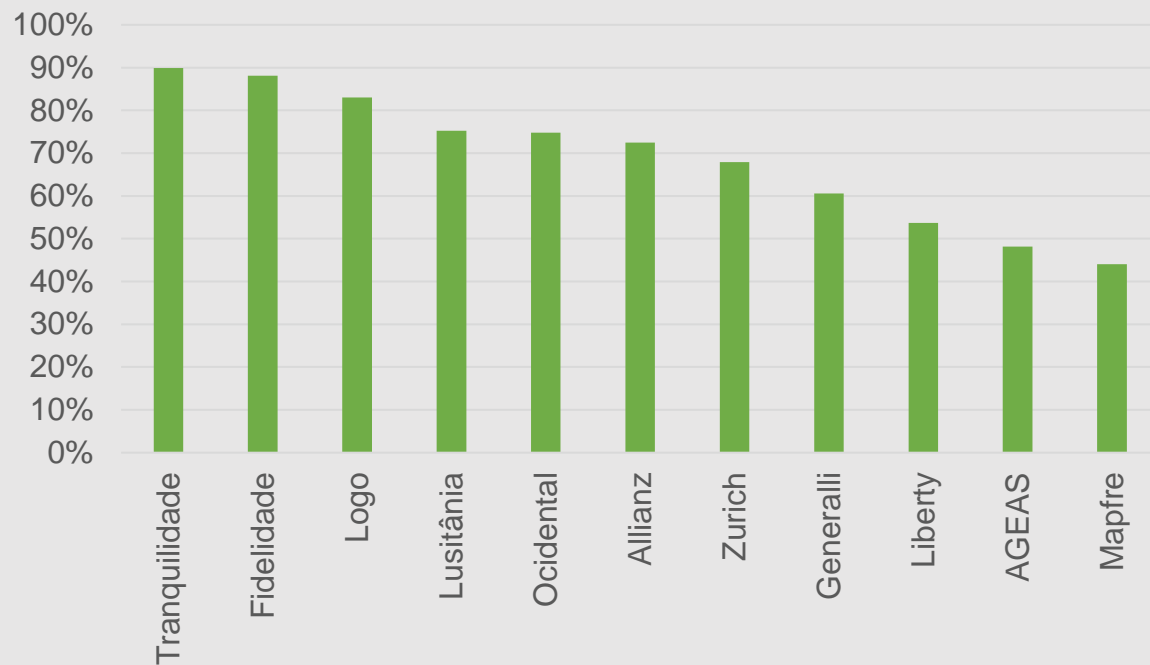


Exhibit 61 – Survey

Of the insurance brands presented, which one do you know?

(PT: Das marcas de seguros apresentadas, qual/quais conhece?)

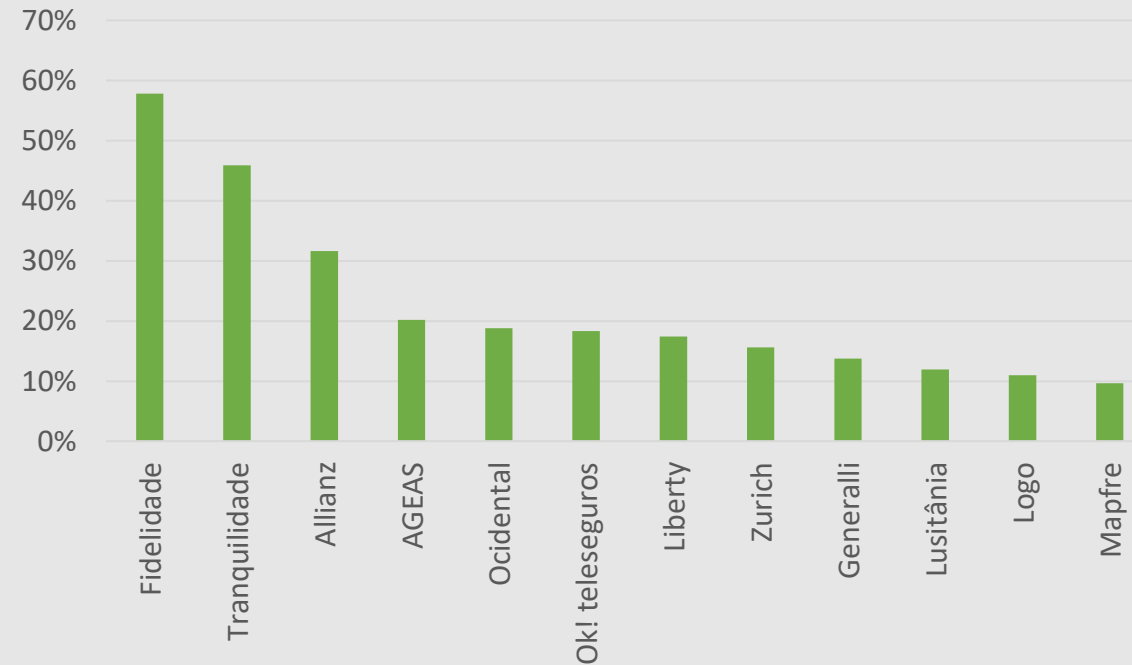


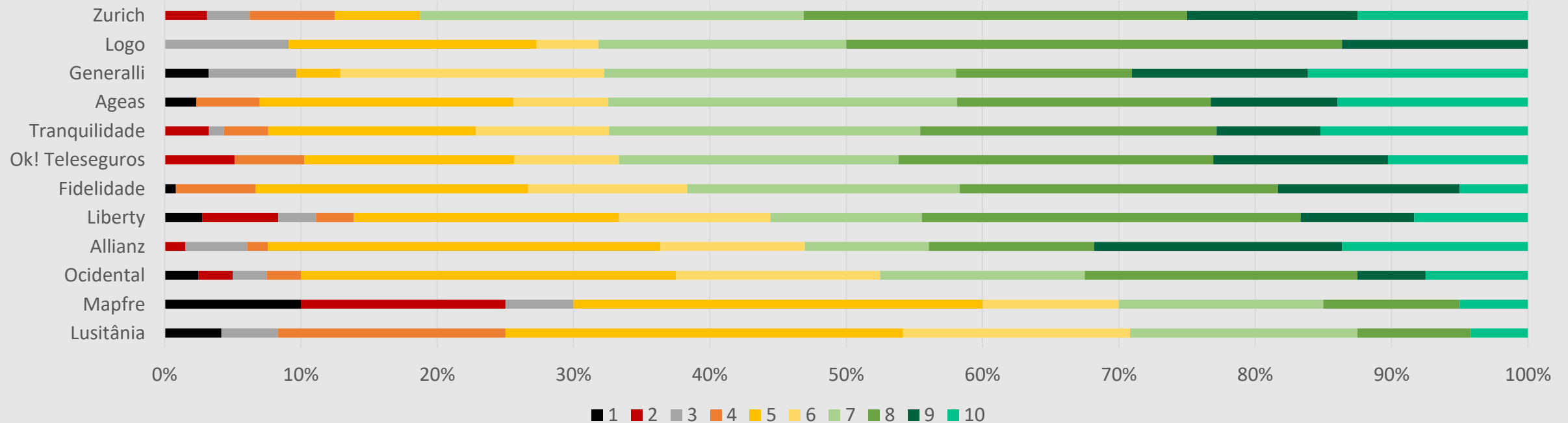
Exhibit 62 – Survey

Appendix 15 | Survey's Data (III/XXIV)

[Back to Survey](#)

On a scale of 0 to 10, how likely is it to recommend the following insurer (s) to a friend or colleague?

(PT: Das marcas de seguros apresentadas, qual/quais conhece?)

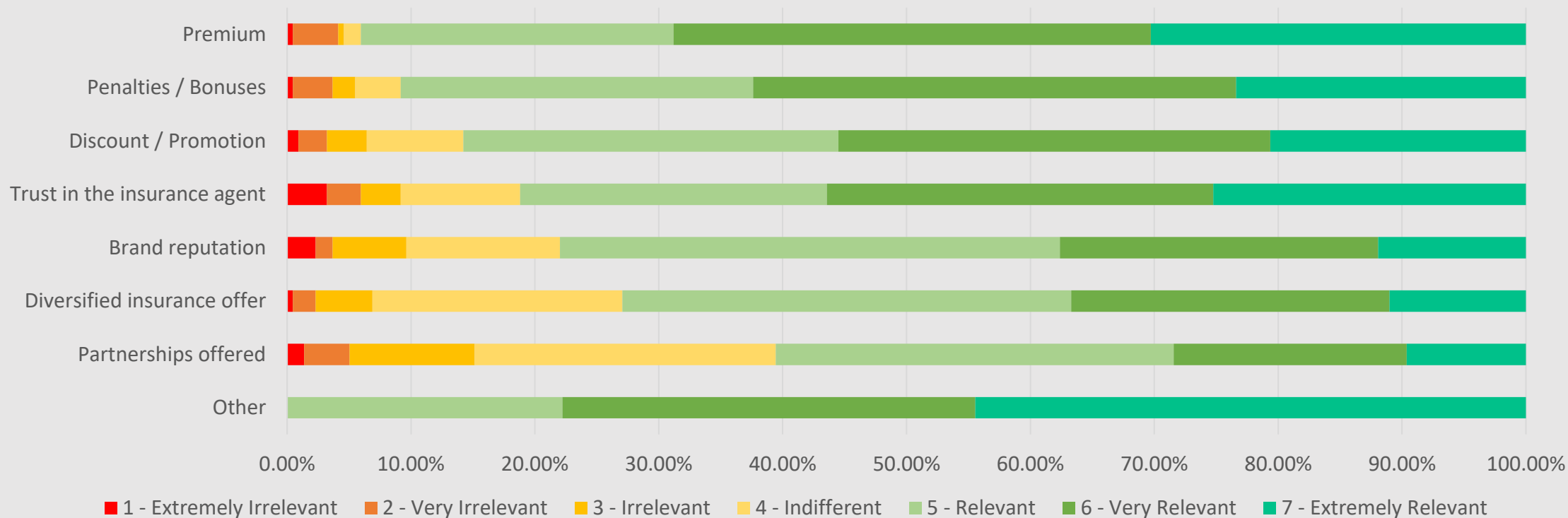


Appendix 15 | Survey's Data (IV/XXIV)

[Back to Survey](#)

Rate the relevance you attach to the following factors when choosing an insurance

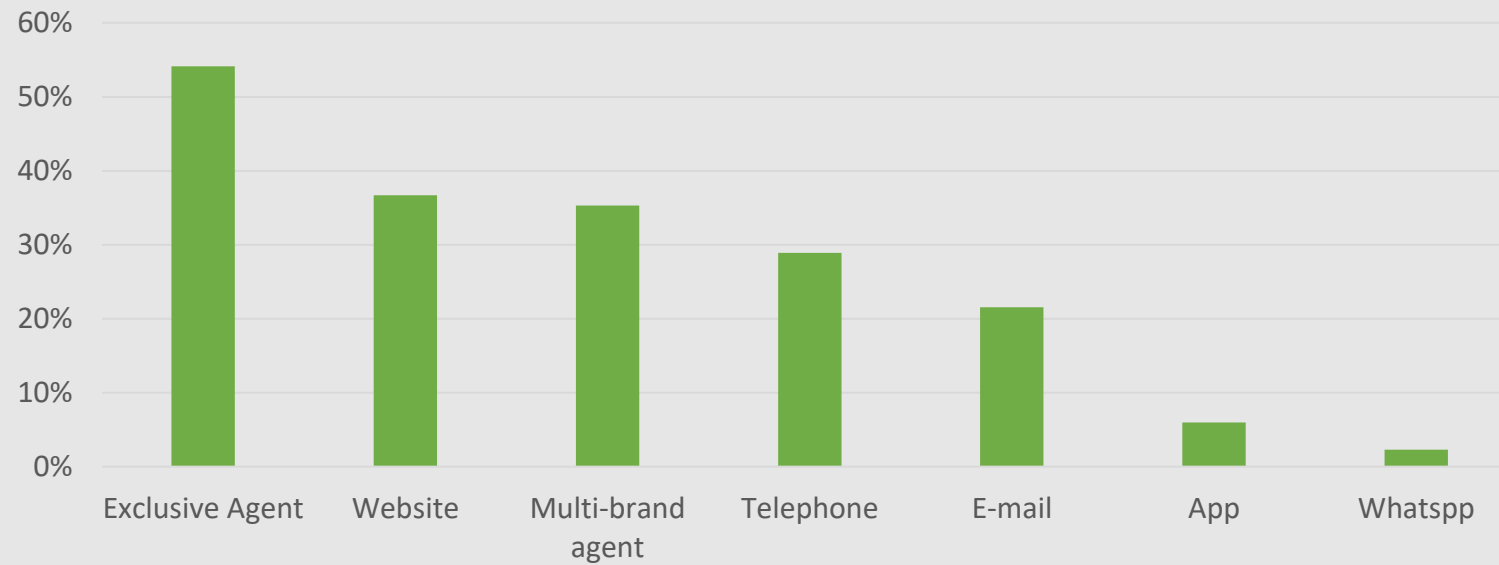
(PT: Avalie a relevância que você atribui aos seguintes fatores ao escolher um seguro)



Appendix 15 | Survey's Data (V/XXIV)

[Back to Survey](#)**Which of the following channels have you used to purchase insurance?**

(PT: Qual/Quais dos seguintes canais já utilizou para a compra de um seguro?)



Appendix 15 | Survey's Data (VI/XXIV)

[Back to Survey](#)**Would you like to purchase insurance through other channels that you have not used yet?**

(PT: Gostaria de adquirir seguros através de outros canais que ainda não tenha utilizado?)

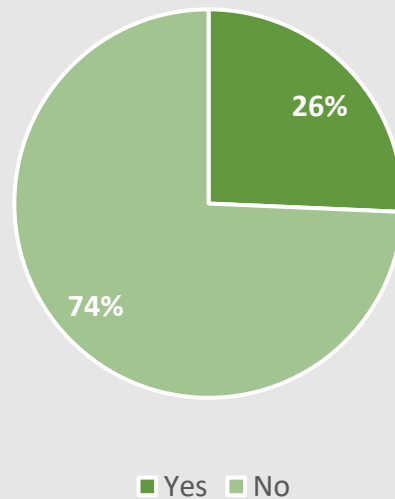


Exhibit 66 – Survey

If yes: In which / which of the following channels would you like to purchase insurance that you have not yet used for this purpose?

(PT: Se sim: Em qual/quais dos seguintes canais gostaria de adquirir um seguro que ainda não tenha utilizado para esse prop)

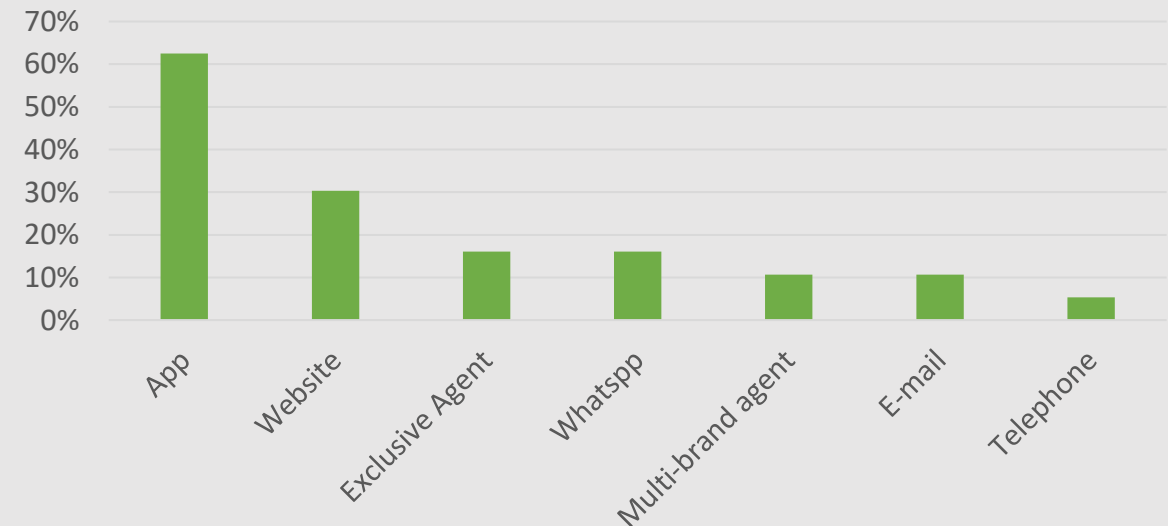
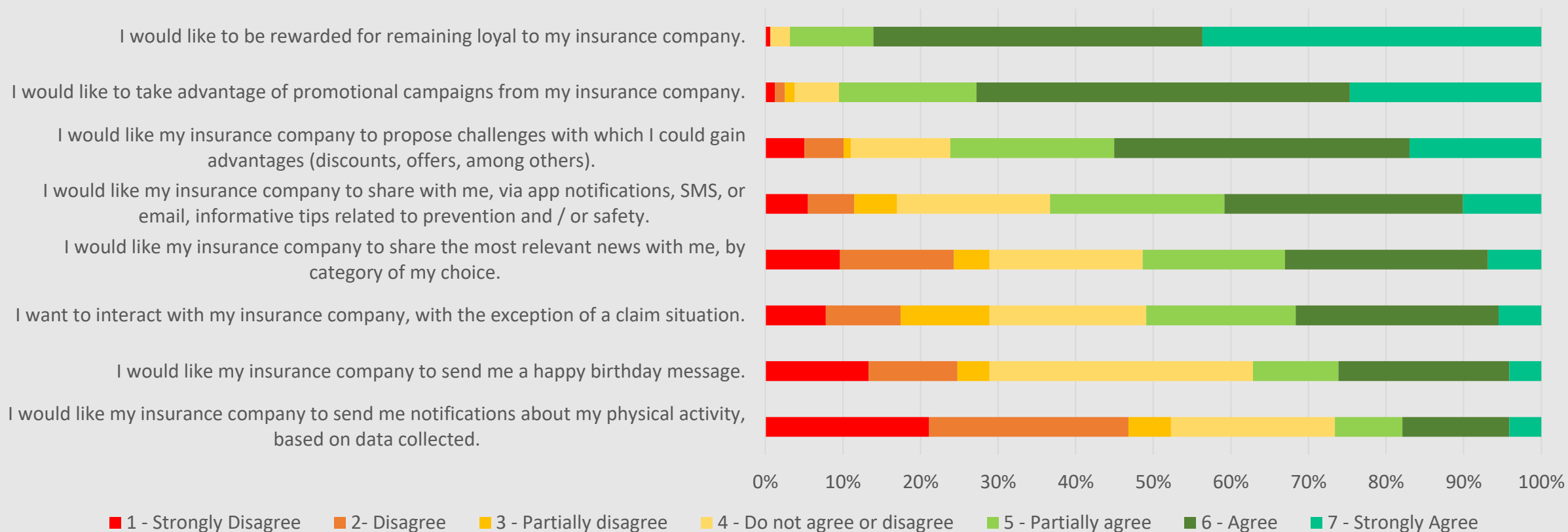


Exhibit 67 – Survey

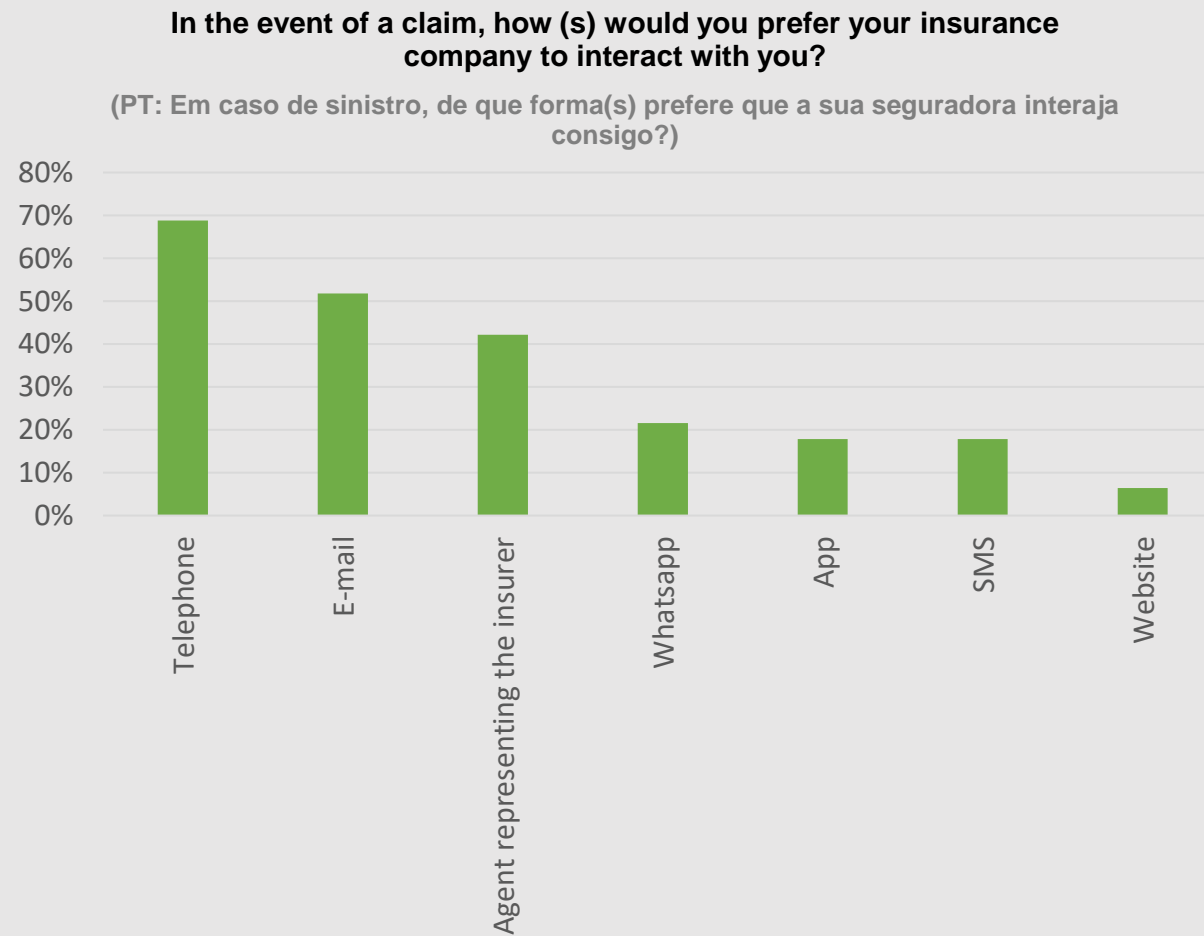
Appendix 15 | Survey's Data (VII/XXIV)

[Back to Survey](#)**Rate from 1 - "Totally Disagree" to 7 - "Totally Agree" your level of agreement with the following statements presented.**

(PT: Classifique de 1 - "Discordo Totalmente" a 7 - "Concordo Totalmente" o seu nível de concordância com as seguintes afirmações apres



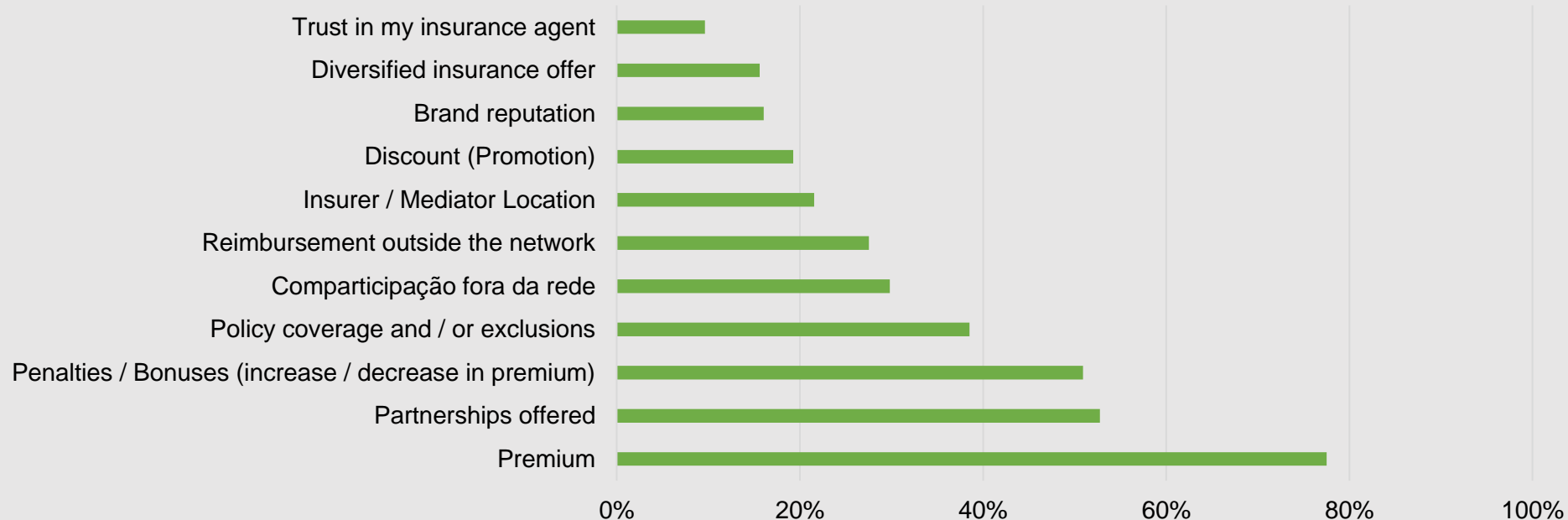
Appendix 15 | Survey's Data (VIII/XXIV)

[Back to Survey](#)

Appendix 15 | Survey's Data (IX/XXIV)

[Back to Survey](#)**Of the following reasons, which one makes you loyal to your insurance brand**

(ENG: Dos seguintes motivos apresentados, qual/quais o/a faz(em) manter-se leal à sua seguradora?)

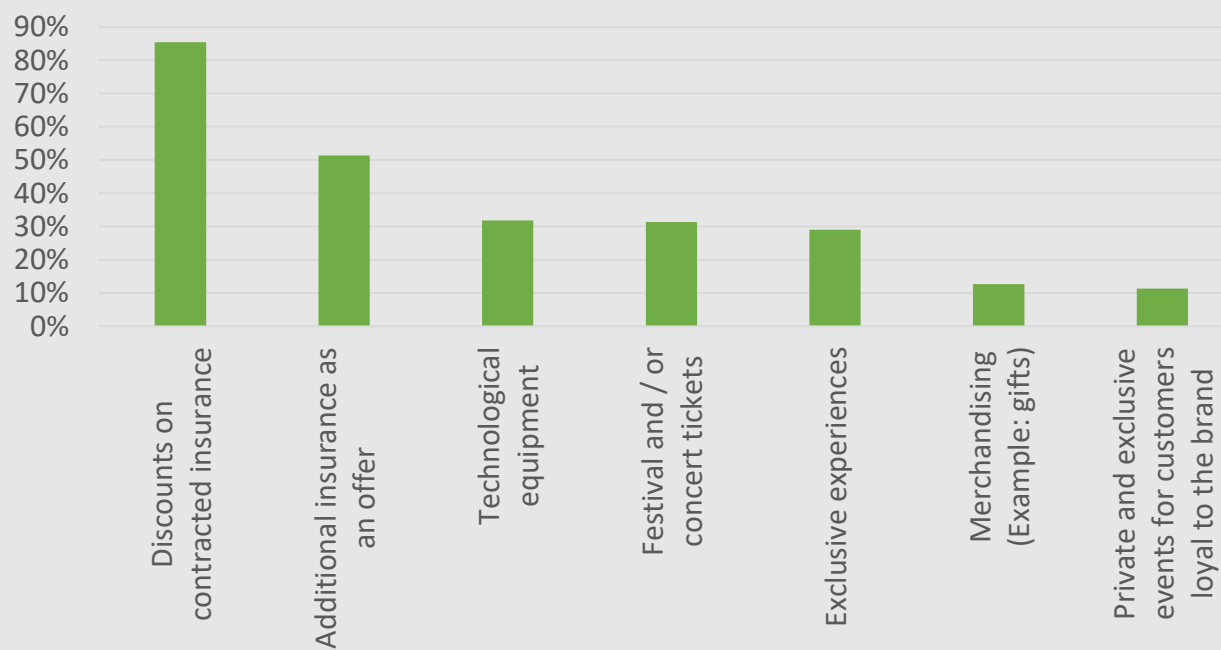


Appendix 15 | Survey's Data (X/XXIV)

[Back to Survey](#)

In the following ways, which one would you like to be rewarded for for staying loyal to your insurer?

(PT: Das seguintes formas apresentadas, através de qual/quais gostaria de ser premiado/a por se manter leal à sua seguradora?)

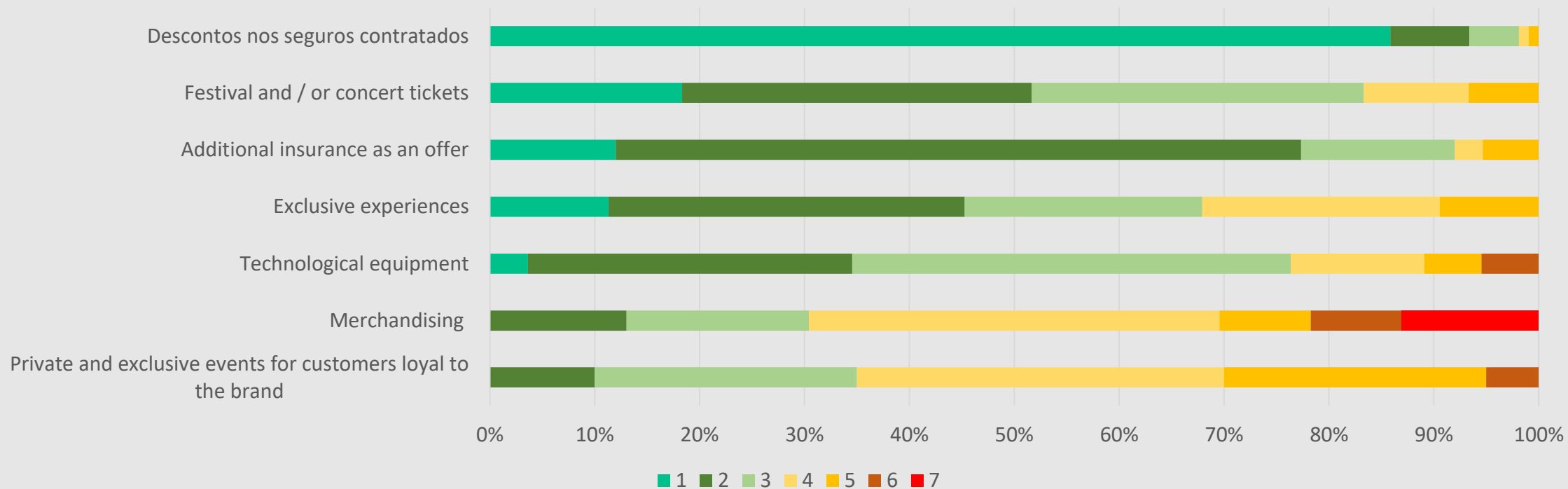


Appendix 15 | Survey's Data (XI/XXIV)

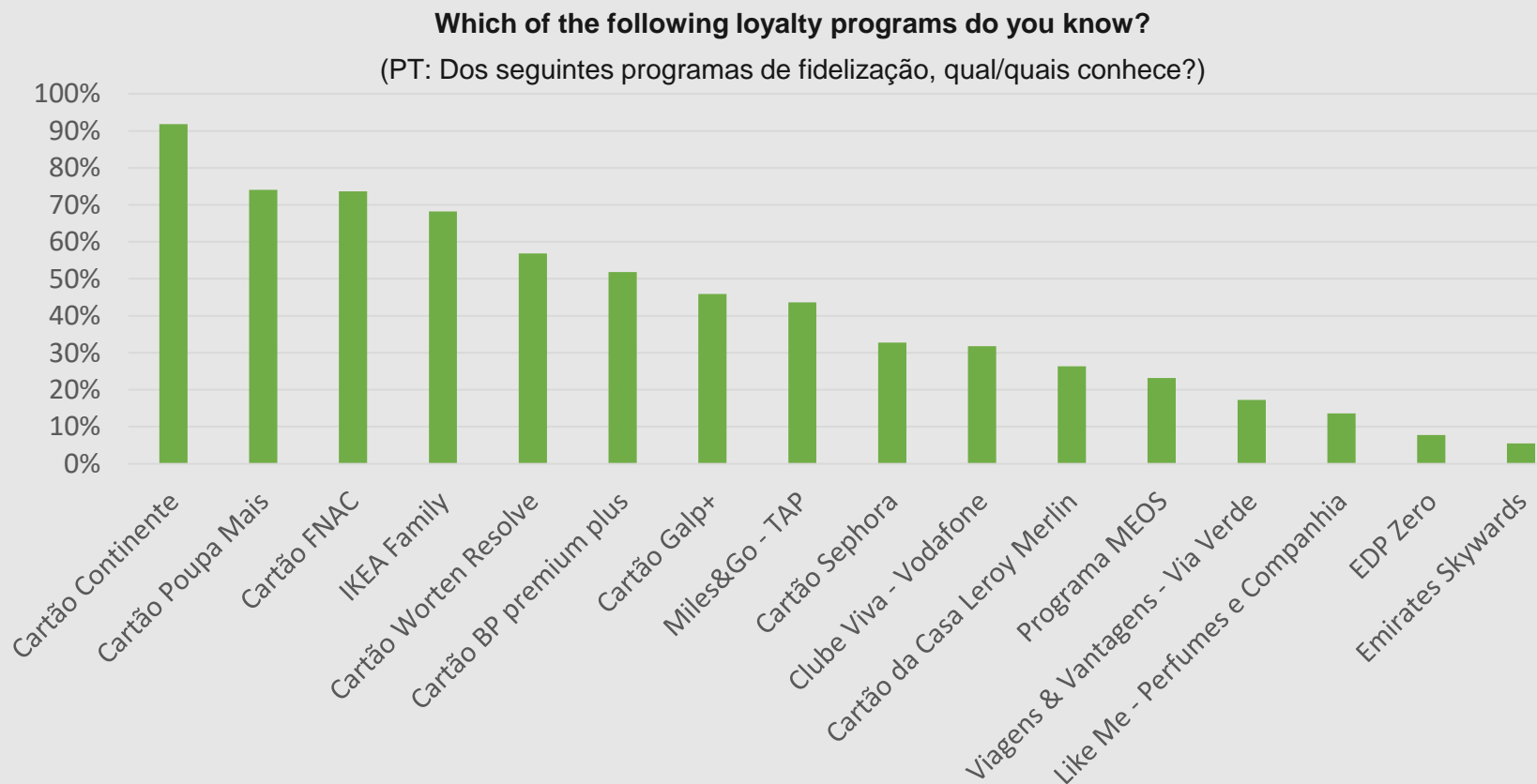
[Back to Survey](#)

Based on your answer to the previous question, order the following selected options, in order of preference

(PT: Com base na sua resposta à pergunta anterior, ordene as seguintes opções selecionadas, por ordem de preferência)



Appendix 15 | Survey's Data (XII/XXIV)

[Back to Survey](#)

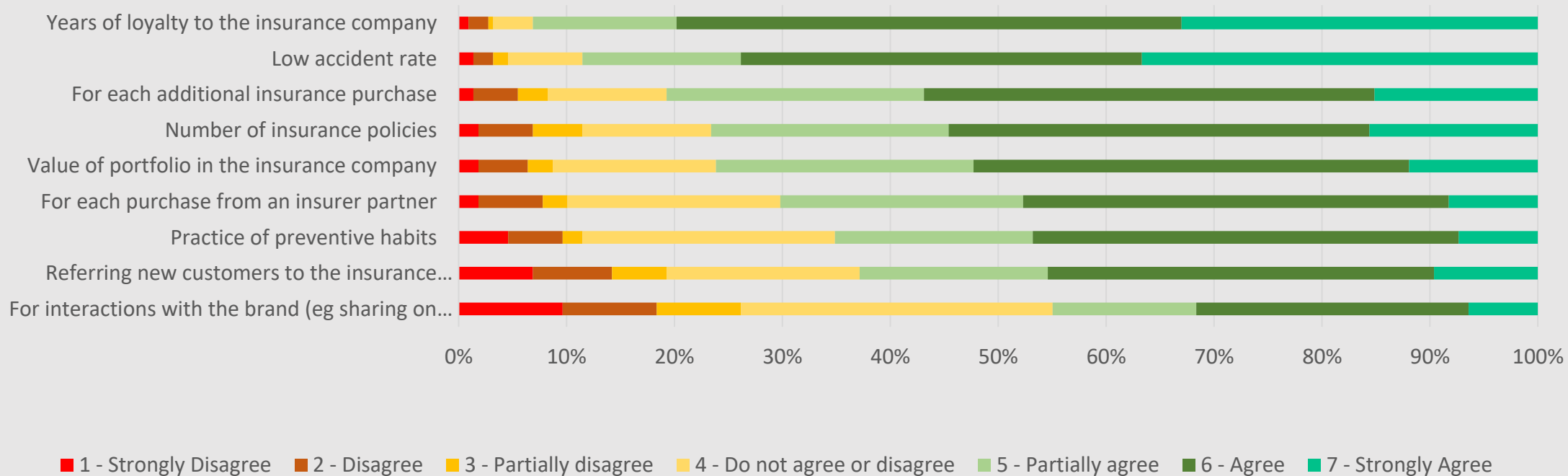
Appendix 15 | Survey's Data (XIII/XXIV)

[Back to Survey](#)

Appendix 15 | Survey's Data (XIV/XXIV)

[Back to Survey](#)**Classify your level of agreement with each of the options as ways to obtain benefits, in the context of a loyalty program.**

(PT: Classifique o seu nível de concordância com cada uma das opções como formas para a obtenção de benefícios, no contexto de um pro

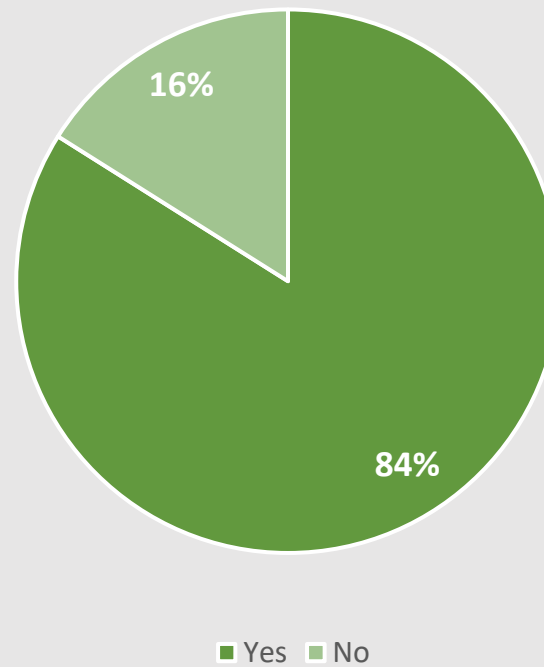


Appendix 15 | Survey's Data (XV/XXIV)

[Back to Survey](#)

Would you like to accumulate benefits related to the loyalty program through partners of your insurance company?

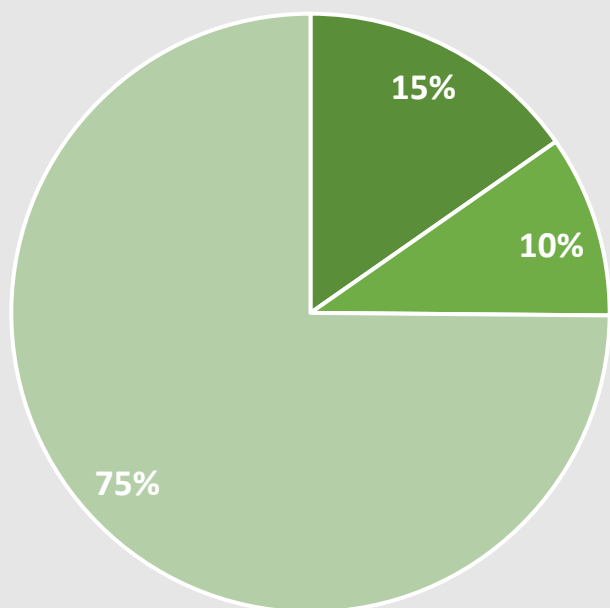
(PT: Gostaria de acumular benefícios relativos ao programa de fidelização através de parceiros da sua seguradora?)



Appendix 15 | Survey's Data (XVI/XXIV)

[Back to Survey](#)**If yes: Where would you like to use the benefits obtained in the program?**

(PT: Se sim: Onde gostaria de utilizar os benefícios obtidos no programa?)

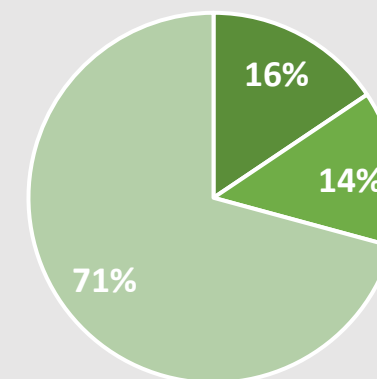


■ Insurance ■ Partner network ■ Ambos

Exhibit 77 – Survey

If you answered the partner network or both: If you could use the benefits in a partner network, what type of partner would you like to do it with?

(PT: Se respondeu rede parceiros ou ambos: Se pudesse utilizar os benefícios numa rede de parceiros, em que



- Insurance-related partners (Examples: car assistance, healthcare providers, among others)
- Non-insurance partners (Examples: food retail, textile retail, aesthetic and beauty service providers, among others)
- Both

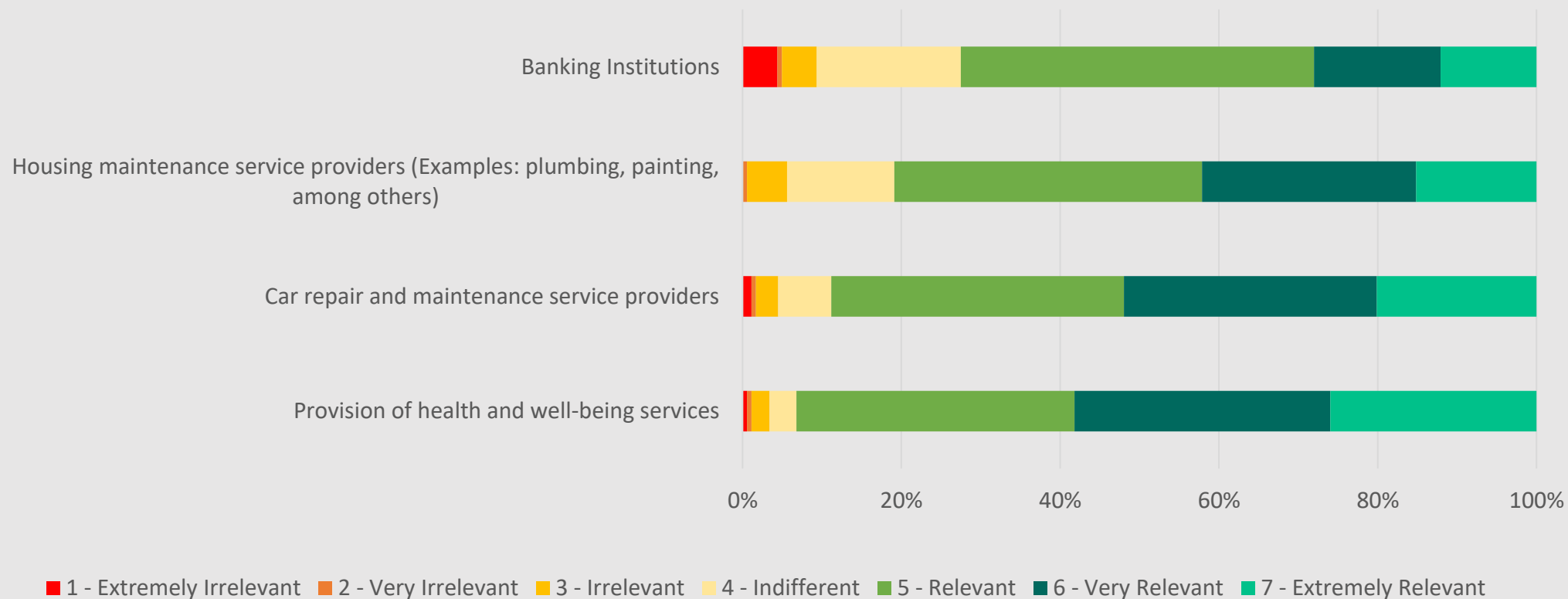
Exhibit 78 – Survey

Appendix 15 | Survey's Data (XVII/XXIV)

[Back to Survey](#)

If yes: Rate from 1 - "Extremely Irrelevant" to 7 - "Extremely Relevant" the relevance that you attach to the following insurance-related partners, in order to accumulate benefits.

(PT: Se sim: Classifique de 1 - "Extremamente Irrelevante" a 7 - "Extremame

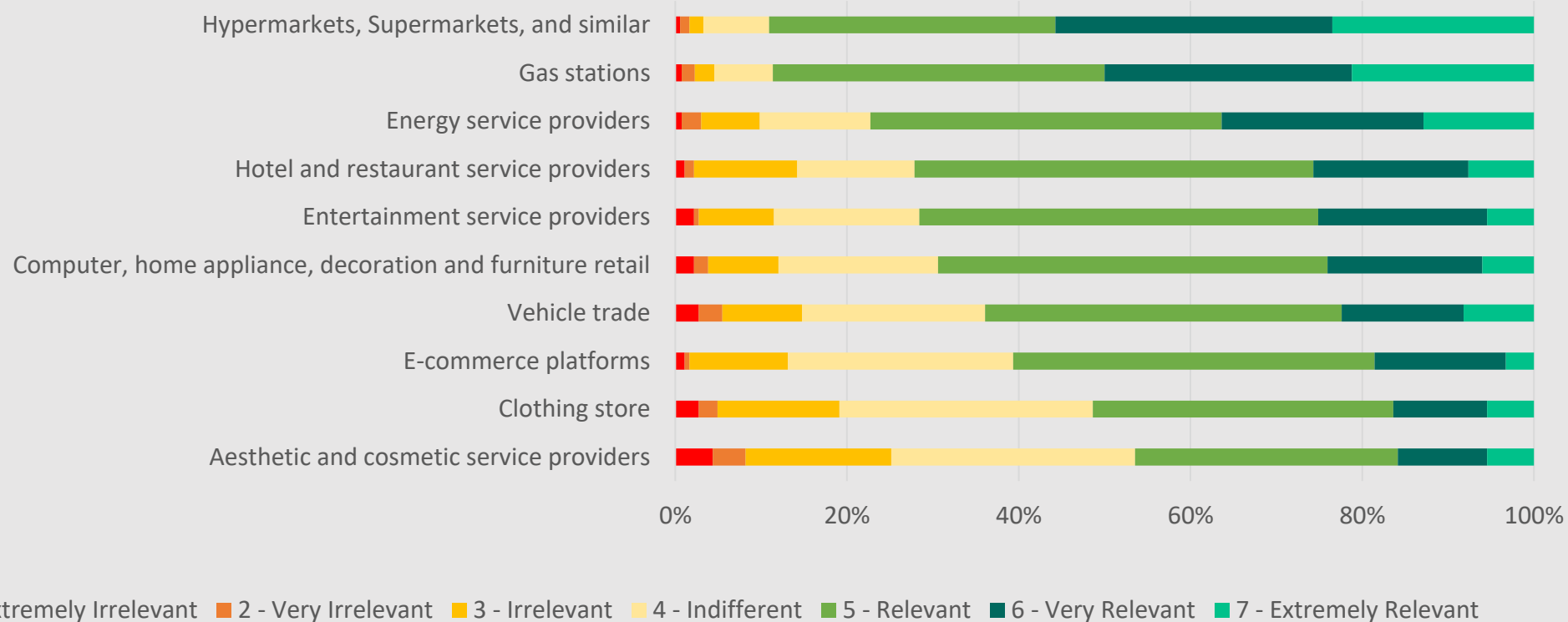


Appendix 15 | Survey's Data (XVIII/XXIV)

[Back to Survey](#)

If yes: Rate from 1 - "Extremely Irrelevant" to 7 - "Extremely Relevant" the relevance that you attribute to the following non-insurance partners, in order to accumulate benefits.

(PT: Se sim: Classifique de 1 - "Extremamente Irrelevante" a 7 - "Extremamen")



Appendix 15 | Survey's Data (XIX/XXIV)

[Back to Survey](#)**In what type (s) of channels / channels would you prefer to subscribe to a loyalty program in the insurance sector?**

(PT: Em que tipo(s) de canal/canais privilegiaria a subscrição de um programa de fidelização, no setor dos seguros?)

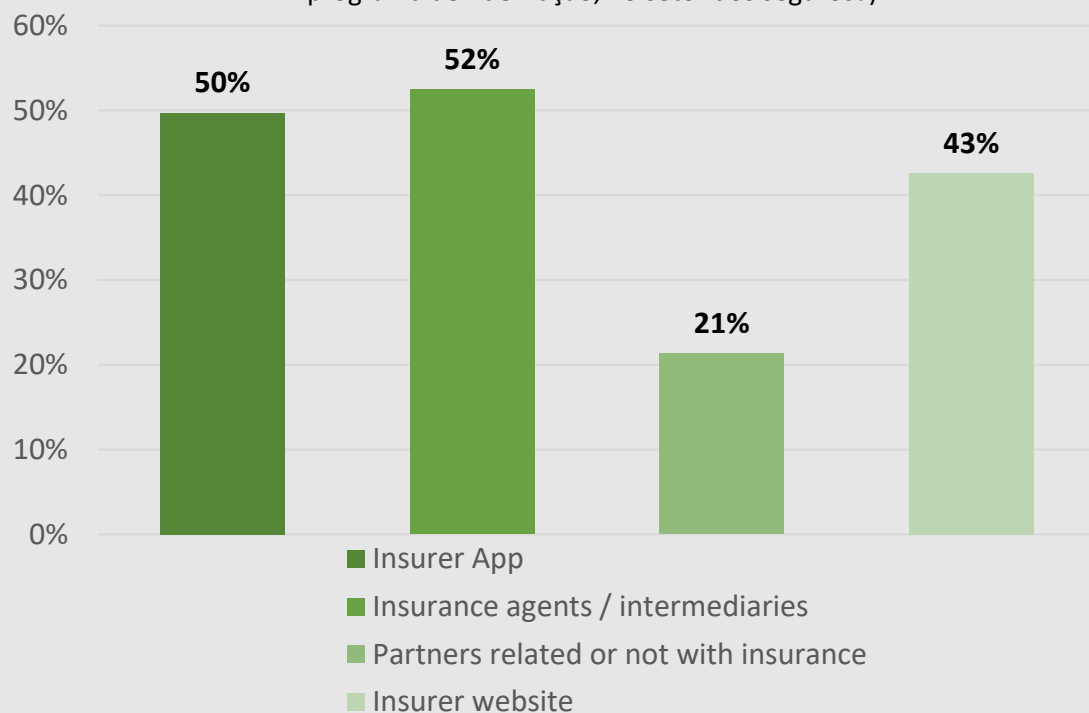


Exhibit 81 – Survey

How would you prefer to use a loyalty program in the insurance sector?

(PT: Através de que forma(s) privilegiaria a utilização de um programa de fidelização, no setor dos seguros?)

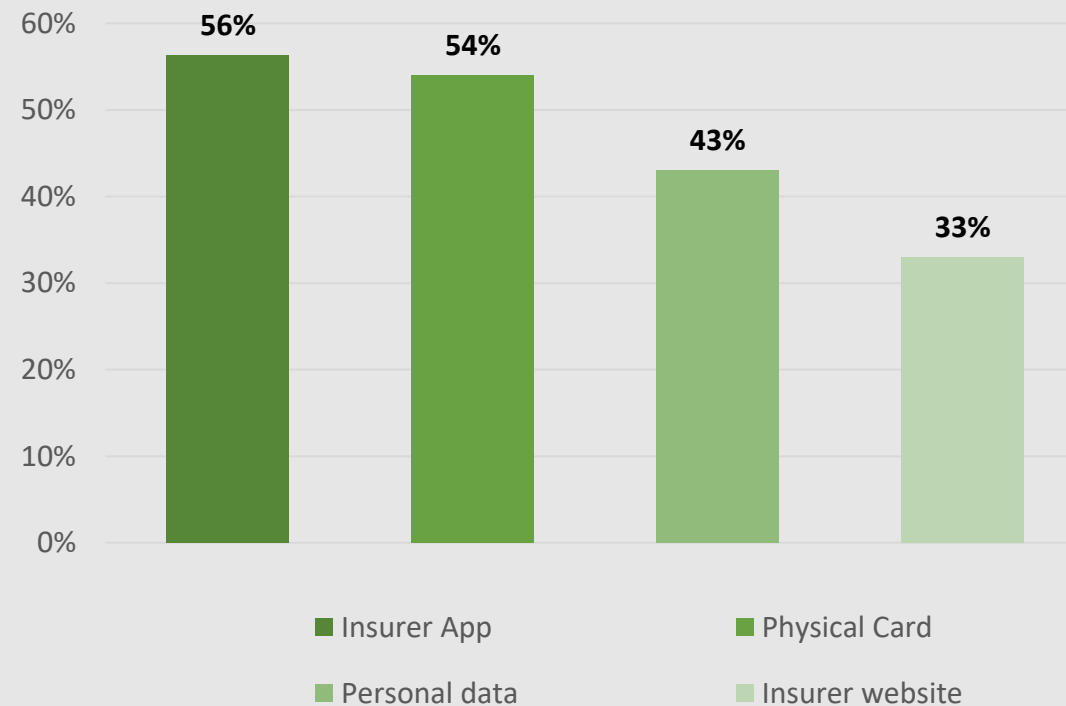


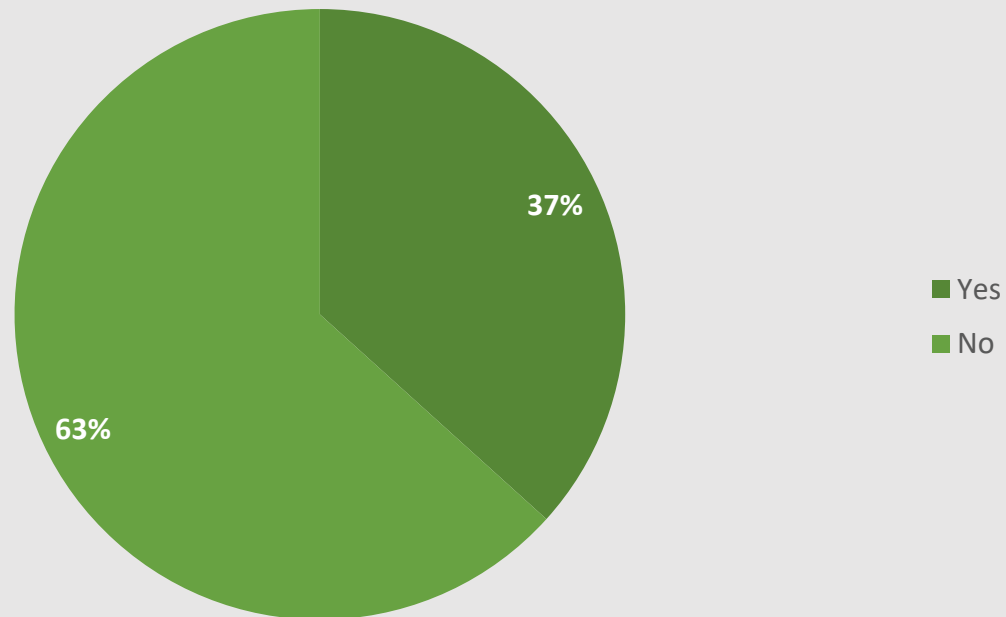
Exhibit 82 – Survey

Appendix 15 | Survey's Data (XX/XXIV)

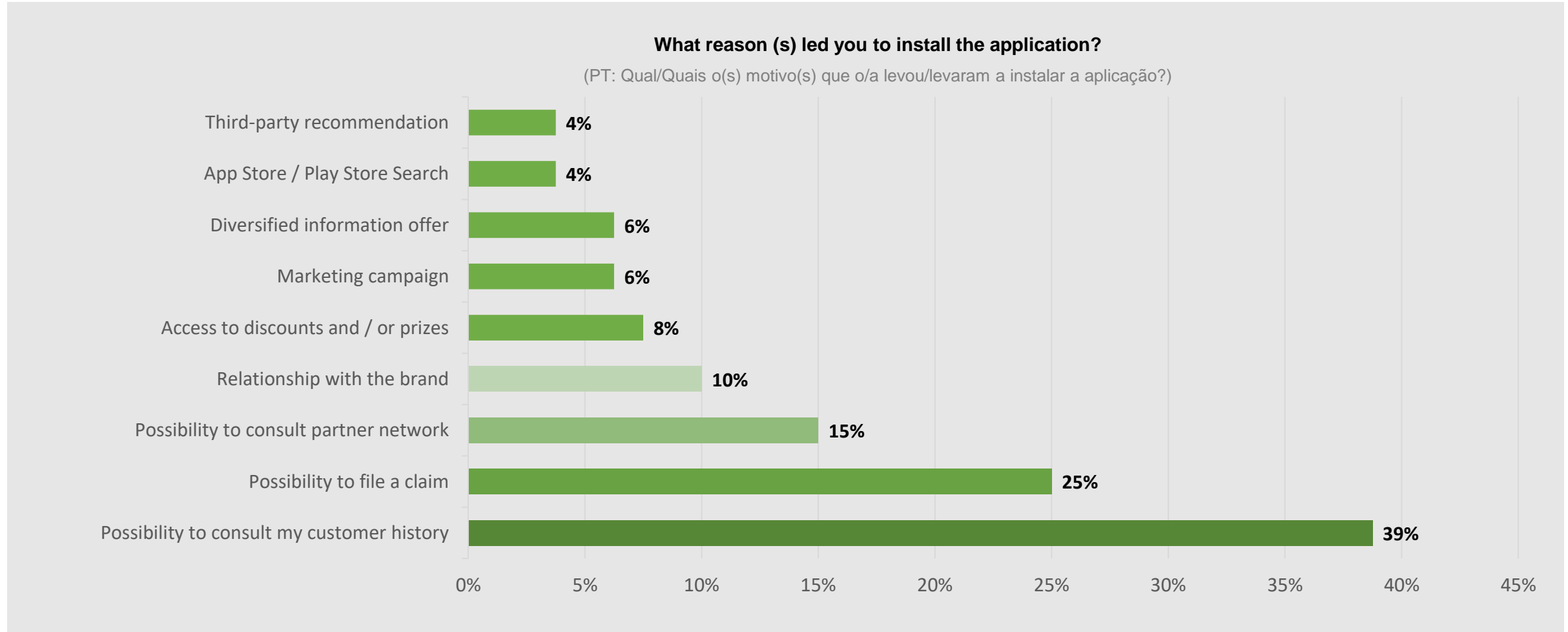
[Back to Survey](#)

Do you have any insurance applications installed on your phone?

(PT: Tem alguma aplicação de seguros instalada no seu telemóvel?)



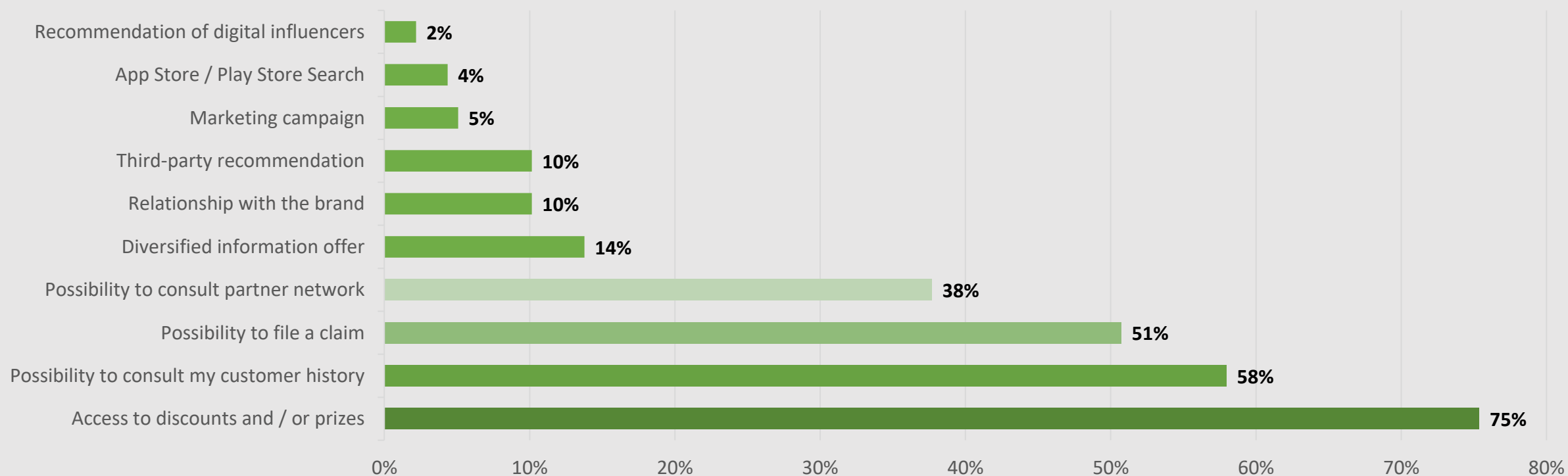
Appendix 15 | Survey's Data (XXI/XXIV)

[Back to Survey](#)

Appendix 15 | Survey's Data (XXII/XXIV)

[Back to Survey](#)**What reason (s) would lead you to install the application?**

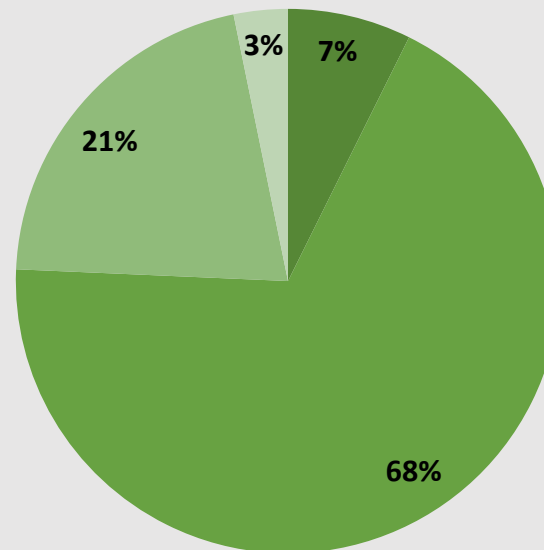
(PT: Qual/Quais o(s) motivo(s) que o/a levariam a instalar a aplicação?)



Appendix 15 | Survey's Data (XXIII/XXIV)

[Back to Survey](#)**What reason(s) would lead you to install the application?**

(PT: Qual/Quais o(s) motivo(s) que o/a levariam a instalar a aplicação?)



■ Points system

■ Direct Discounts (on branded products and services and / or partners)

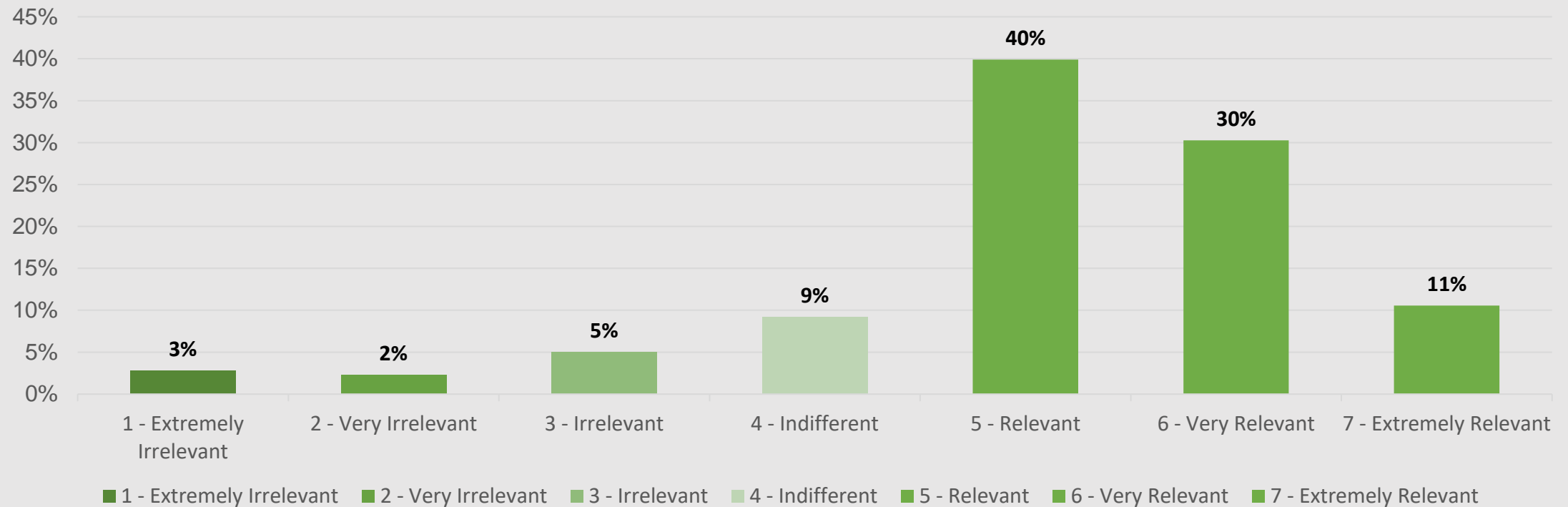
■ Both

■ None

Appendix 15 | Survey's Data (XXIV/XXIV)

[Back to Survey](#)**How relevant to you is the implementation of a loyalty system in the insurance sector?**

(PT: Para si, quão relevante é a implementação de um sistema de fidelização no setor dos seguros?)




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Appendix 16 | Benefits Collections' Considerations (I/II)

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Executive Board Interviews



Tranquilidade Products


- 1 New Insurance
- 2 Insurance Upgrade
- 3 Renewals



Limited effort for collecting points that are **related with insurance products.**



The potential cost will **depend** on the **generated discount.**


Soft Engagement


- 4 Gamification
- 5 Precautionary Habits



There will be a **range of required effort** to collect points.



Low immediate costs, depending on the **level of engagement.**


Preventive Behaviors

- 6 Auto
- 7 Sports
- 8 Health
- 9 Animal
- 10 Home



Requires **interacting** with partners and **uploading documentation.**



Reduced **gain,** as we are giving points when they did not generate **direct cash-flow.**

Matrix 1 – Benefits collection matrix

Tranquilidade's products are the easiest benefits to obtain, since it is done automatically every time clients purchase a new insurance product; do and upgrade; or renew their current insurance. However, it is the one with higher potential cost to the firm, since it represents a direct reduction in the margins. Soft engagement through gamification and precautionary habits requires some effort to the customer to continually engage with the Program and obtain points. Nonetheless, the amount of points collected are low, reflecting a low potential cost to Tranquilidade. The submission of invoices related to preventive behaviors involves a high effort to the customers and a high potential cost to the firm that will pay a portion of the total amount of the invoice submitted.

Appendix 16 | Benefits Collections' Considerations (II/II)

[Back to Benefits Collection](#)

DESCRIPTION

+*Tranquilos* should allow members to collect benefits through **preventive behaviors**, by **submitting invoices related with five categories: Health and Life; Home; Auto; Sports; and Animal**. The invoices should be related with the **preventive services** presented below.

PREVENTIVE BEHAVIORS



HEALTH & LIFE

- Check-up
- Dental clinics*
- Optical clinics

Suggestion



Hospital da Luz



Cuf Hospitais e Clinicas



Lusiadas Saúde



HOME

- Anti-theft
- Anti-fire
- Anti-floods
- Energy efficiency

Suggestion



Securitas



Biomex



AKI



EDP



AUTO

- Check-up
- Maintenance expenses related to prevention

Suggestion



MForce



Norauto



SPORT

- Gym fee
- Sports equipment

Suggestion



Holmes Place



Decathlon



ANIMAL

- Check-up
- Vaccines

Suggestion



Clínica Veterinária Médica Integrada



Hospital Veterinário do Restelo

*aesthetics services not included

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Appendix 17 | Redeem's Considerations (I/II)

[Back to Redeem](#)

Executive Board Interviews


Tranquilidade Products

- 1 New Insurance
- 2 Insurance Upgrade
- 3 Renewal



The Client will always be able to **redeem** a **certain number of points**.



Maximum loss of 10% of the Client's **insurance wallet**.

Catalog

- 4 Well-being
- 5 Sports
- 6 Leisure & Technological Products



The more **perceived value**, the more **points required**.



Cost is **dependent** on the **commercial agreements** with partners.

Social Intervention

- 7 Health
- 8 Environmental
- 9 Women



High and fixed number of **points** to **donate** euros, implying **great** required **effort**.



Disproportionally between **points** to **redeem** and **cost** for Tranquilidade.

Matrix 2 – Redeem collection matrix

The Program should allow to exchange a reduced number of points, in order to receive a directed discount when upgrading an insurance. This way, Tranquilidade should give a lower discount. In the case of purchase or renewal, it requires a higher number of points spending, due the higher potential cost for Tranquilidade.

Regarding the catalog, the amount needed to redeem is related with the perceived value of the product to the customer. However, its real value for Tranquilidade depends on the commercial agreement established and the current partnerships. Members can also redeem their points by donate it to associations, in which it should be required a high number of points, despite it representing a low cost for the insurer.

Appendix 17 | Redeem's Considerations (II/II)

[Back to Redeem](#)

DESCRIPTION

Accumulated benefits should be redeemed through a **catalog of products and services from a restricted network of partners**. The following companies are merely illustrative based on consumers' insights and current Tranquilidade's partners.

PARTNERSHIPS

Products

**Fnac** – Technological devices**Vodafone** – Telecommunication devices**Garmin** - IoT devices (smoke detectors and security systems)

Social Intervention

**Cruz Vermelha Portuguesa** – Health**Ajuda de Berço** – Children**Liga para a proteção da Natureza** – Animal & Environment**Associação Salvador** – Motor disability

Experiences

Well-Being

**Mandalay Spa** – Spa, massages**Holmes Place** – Gymnasiums**Malo Clinic** – Beauty Care

Sports

**Algarve International Racetrack****Ericeira Waves** – Surf Schools**Orizonte Lisbon Golf** – Golf Clubs**Windpassenger** – Adventure

Leisure

**Pestana Hotel Group** – Hotels**Wine Tourism in Portugal** – Wine Tasting**José Avillez** – Fine-dinning Restaurants**Ticketline** – Culture & Entertainment**Netflix** – TV Entertainment**Rede Portuguesa de Museus** – Museums**Cinemas NOS** - Cinemas**Sports clubs**

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Appendix 18 | Financial Analysis' Considerations (I/IV)

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		Financial Forecast					
		2019	2020	2021	2022	2023	2024
Total Clients		1 326 207	1 370 262	1 415 781	1 469 891	1 533 418	1 607 358
	Churn rate		13,1%	13,1%	12,6%	12,1%	11,6%
	Retention rate		87%	87%	87%	88%	88%
	Acquisition rate		16%	16%	16%	16%	16%
	Gross growth rate		3%	3%	4%	4%	5%
Green Clients			720 836	778 680	955 430	1 073 393	1 205 519
	Green Clients (%)		53%	55%	65%	70%	75%
	Gross growth rate		24%	8%	23%	12%	12%
	Growth rate		-	8%	23%	12%	12%
Active members					707 019	847 981	1 012 636
	Active members (%)		-	-	74%	79%	84%
Average premium per client		423 €	423 €	423 €	423 €	423 €	423 €

Table 6 – Detailed financial forecast

Assumptions & Considerations

- The Program is suggested to start in the third quarter of 2022.
- For simplification, every renewal is done in the first day of each year.
- In 2020, churn rate, retention rate, acquisition rate and, therefore, growth rate remain the same as the data available for 2019.
- For the remaining years, acquisition rate is assumed to continue the same.
- According to Forbes (2020), 84% of clients redeem their points at least once per year. Therefore, the Team assumed that, after three years of existence and consolidation, 84% of the Program's Users will do their fully redeem in the end of the year.
- Before reaching the aforementioned milestone, the Team assumed that almost 75% of the Program's Users do the redeem of points, growing at 5pp pace until 2024 (year 3).
- Average premium per client is assumed to remain constant and the same as for 2019.
- The average churn rate remains the same for 2020 and 2021 as it was in 2019.
- Due to the Program's benefits, it is assumed that the rate decreases 0.5pp in the first three years (until 2024).

Appendix 18 | Financial Analysis' Considerations (II/IV)

[Back to Financial Impacts and KPIs](#)

		2019	2020	2021	2022	2023	2024
COSTS OF BENEFITS							
Automatic on renewal							
Total Premium of Active Members		-	-	-	299 069 037 €	358 695 963 €	428 345 028 €
	% Policy	-	-	-	20%	20%	20%
Total Points Collected		-	-	-	59 813 808	71 739 193	85 669 006
	Multiple	-	-	-	20	20	20
Automatic Renewal Costs		-	-	-	2 990 691	3 586 960	4 283 451
	% of Total Costs	-	-	-	38%	31%	31%
		-	-	-			
Preventive Behaviors							
Total Premium of Active Members		-	-	-	299 069 037 €	358 695 963 €	428 345 028 €
	% Policy	-	-	-	30%	30%	30%
	No adherence (0%)	-	-	-	50%	50%	50%
	Midium adherence (50%)	-	-	-	25%	25%	25%
	High adherence (100%)	-	-	-	25%	25%	25%
Total Points Collected		-	-	-	33 645 267	40 353 296	48 188 816
	Multiple	-	-	-	20	20	20
Preventive Behaviors Cost		-	-	-	1 682 264 €	2 017 665 €	2 409 441 €
	% of Total Costs	-	-	-	22%	17%	17%

Table 7 – Detailed financial forecast

Assumptions & Considerations

- Active Members are those considered for the costs forecast, since these were assumed as the ones that effectively redeem their points and, therefore, are a cost for the Company.
- Total Premium of active Members is the product of average policy per Client and the number of active Members.

Automatic on Renewal

- Clients will receive 20% of their premium automatically at the renewal.
- A multiple of 20 was considered, following a benchmark of Telco (e.g., Vodafone & MEO).

Preventive Behaviors

- Clients will be able to obtain points up to 30% of their policy, rewarding the effort needed and aligning the benefits with the Program's value proposition.
- To incorporate the level of adherence of Tranquilidade's client-base, a demultiplication of their engagement was made as follows:
 - ✓ 50% will not participate in this dynamic;
 - ✓ 25% will obtain half of their points;
 - ✓ 25% will obtain all the points, which accommodates the easiness to fully obtain the points with a big preventive behaviour bill, for instance.

Appendix 18 | Financial Analysis' Considerations (III/IV)

[Back to Financial Impacts and KPIs](#)

Soft Engagement							
Active Members		-	-	-	707 019	847 981	1 012 636
	Points	-	-	-	260	520	520
	No adherence (0%)	-	-	-	50%	50%	50%
	Medium adherence (50%)	-	-	-	48%	48%	48%
	High adherence (100%)	-	-	-	2%	2%	2%
Total Points Collected		-	-	-	47 794 485	114 647 032	136 908 388
	Multiple	-	-	-	20	20	20
Soft Engagement Cost		-	-	-	2 389 725 €	5 732 352 €	6 845 420 €
	% of Total Costs	-	-	-	31%	49%	50%
Other Costs							
Implementation		-	-	-	500 000 €		
Maintenance		-	-	-	250 000 €	250 000 €	250 000 €
Total Other Costs		-	-	-	750 000 €	250 000 €	250 000 €
	% of Total Costs	-	-	-	10%	2%	2%
Final Cost		-	-	-	7 812 680 €	11 586 977 €	13 788 312 €

Table 8 – Detailed financial forecast

Assumptions & Considerations

Soft Engagement

- It was considered that Clients will have the chance to obtain 10 points per week, which adds to a maximum of 520 points, annually.
- To incorporate the level of adherence of Tranquilidade's client-base, a demultiplication of their engagement was made as follows:
 - ✓ 50% will not participate in this dynamic;
 - ✓ 48% will obtain half of their points.
 - ✓ 2% will obtain all the points, which accommodates the effort to participate in every dynamic, every week, and with success.

Other Costs:

- It was assumed that Tranquilidade will need to spend half a million in the implementation and integration of the suggested Loyalty Program in the digital mobile application already in development.
- It was assumed that maintenance cost are half of the implantation costs, per year.

Appendix 18 | Financial Analysis' Considerations (IV/IV)

[Back to Financial Impacts and KPIs](#)

	2019	2020	2021	2022	2023	2024
GAINS OF BENEFITS						
Cross-sell						
low insurance premium		-	-	75 €	75 €	75 €
# members		-	-	707 019	847 981	1 012 636
	% Members	-	-	20%	20%	20%
Renovação		-	-	-	80%	80%
Cross-sell gains				-	8 484 228 €	10 175 772 €
Churn						
# members		-	-	707 019	847 981	1 012 636
# members retained		-	-	3 535	8 480	15 190
Average policy per Client		-	-	423 €	423 €	423 €
Churn gains				1 495 345 €	3 586 960 €	6 425 175 €
Final Grains				1 495 345 €	12 071 187 €	16 600 947 €
PROFIT				- 6 317 335 €	484 210 €	2 812 635 €

Table 9 – Detailed financial forecast

Assumptions & Considerations

Cross-sell

- To evaluate the dynamics of cross-sell, it was assumed a low insurance premium product as a Personal Accidents (AP).
- It was assumed that 20% of Clients buy this low insurance premium product.
- It was assumed that the gains on the cross-sell only occurs in the next year. This is because the insurance is bought with points (cost) and only turns around as an in-flow in the next years as Clients do the renewal.
- It was assumed that 80% of clients does the renewal of the low insurance premium product considered with their own money.

Churn:

- As mentioned before, it was considered that the loyalty program will have positive effect on decreasing the churn. The decrease in churn increase 0.5 percentual points in the first years.
- Assuming that average policy per client, the gains were computed as the save in lost clients.

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Appendix 19 | Detailed KPIs

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Loyalty Program's KPIs

RETENTION

- **Customer Retention Rate:** the level of customer retention within the Loyalty Program's universe.

$$\frac{\text{Ending LP's Customers} - \text{New LP's Customers}}{\text{Initial LP's Customers}}$$

CONSUMPTION

- **Repurchase Rate:** insurance products repurchased by Loyalty Program's consumers after using benefits on first purchase.

$$\frac{\text{Purchase value by Repeat Customers}}{\text{New Insurance bought with LP's Benefits}}$$

- **New products acquisition per client:** products acquired, for the first time, within the Loyalty Program.

$$\frac{\text{New Acquisitions with LP's Benefits}}{\text{Number of LP's Clients}}$$

ENGAGEMENT

- **Redemption Rate:** the amount of points earned that before expiring are redeemed by consumers of the Loyalty Program.

$$\frac{\text{Total Points Redeemed}}{\text{Total Points Earned}}$$

- **Active Engagement Rate:** evaluation of the engagement level according with the Loyalty Program's dynamics.

$$\frac{\text{Number of Customer who engaged}}{\text{Total Number of LP's Members}}$$

SPENDING

- **Share of Wallet:** the level of Loyalty Program's consumers' wallet value, compared with the total amount of Consumers' spending.

$$\frac{\text{LP's client total wallet value}}{\text{Company's total revenues}}$$

CONTENT & INTERACTION

- **Net Promoter Score:** evaluation of the Consumers regarding the Loyalty Program itself.

$$\text{NPS} = \% \text{ Promoters} - \% \text{ Detractors}$$

DISTRIBUTION & FUNCTIONALITIES

- **App Rate:** measures the Customer satisfaction with the UI and UX, within a score between 1 and 5.
- **Website Rate:** measures the Customer satisfaction with the UI and UX.

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Appendix 20 | Detailed Pilot Plan

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To the implementation of the recommended Loyalty Program, the Team proposes that Tranquilidade conducts a Pilot Project Plan, in order to test the Program's dynamics and validate it at a larger scale. The proposed goals and phases of the project are the following:

