



TRANQUILIDADE

NOVA
School
of Business
& Economics

Shaping
powerful
minds

Work Project presented as part of the requirements for the Award of a Masters Degree from NOVA – School of Business and Economics

**Consulting project for the marketing department of Tranquilidade:
Validation and development of a new product – Marketing Mix Strategy for + *Tranquilo***

Consulting lab carried out under the supervision of: Professor Constança Monteiro Casquinho

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Finally, to the staff from Tranquilidade that were always available and with sharp opinions.

The scope of our project is to develop, price and communicate a new product that acts like an insurance package.

Company

Tranquilidade was founded in 1871 and is now one of the top 5 insurance companies in Portugal. The company has already some international presence. Recently, the company has been through a series of mergers in order to strengthen its position in the Portuguese insurance market.

The Project

The goal of this project can be divided into 3 different sub-goals. The first one is to develop the different multi-product packages, for different age segments, as well as its strategy of Pricing. The second one is to understand which extra services to add to each package so that it brings added value to the customers. The Third one is the distribution and Communication strategy, in accordance with the different market segments.

The scope of our project is to develop, price and communicate a new product that acts like an insurance package.

Challenges

How does the Portuguese insurance market work? Are there similar products?

Understand attractiveness of insurance package on the market – customers and brokers

Which packages should we offer? Which are the best insurance combinations?

How can we design a pricing framework? What is the ideal approach?

Which is the better way of designing the communication of the product?

What services can we offer to add value to the product?

Aim and objectives



The key objectives of the project are:

- Develop a matrix that combines the insurance packages, the coverages, range of prices and to whom to offer;
- Design the communication strategy for this product;
- Find potential ways of adding value to the product, in order to reach a real differentiation in the market;
- Suggest how this analysis can be useful, that is, if it can, in fact, be implemented – next steps.

The scope of our project is to develop, price and communicate a new product that acts like na insurance package.

Final Matrix

Age Range	Product Name	Price
18-25	Basic	100
26-35	Basic	120
36-45	Basic	140
46-55	Basic	160
56-65	Basic	180
66-75	Basic	200
76-85	Basic	220
86-95	Basic	240
18-25	Basic + Health	150
26-35	Basic + Health	170
36-45	Basic + Health	190
46-55	Basic + Health	210
56-65	Basic + Health	230
66-75	Basic + Health	250
76-85	Basic + Health	270
86-95	Basic + Health	290
18-25	Basic + Health + Life	200
26-35	Basic + Health + Life	220
36-45	Basic + Health + Life	240
46-55	Basic + Health + Life	260
56-65	Basic + Health + Life	280
66-75	Basic + Health + Life	300
76-85	Basic + Health + Life	320
86-95	Basic + Health + Life	340

Extra Services



Communication Strategy



- A final matrix was developed, with different products according to different age ranges and the respective prices
- A set of extra services were added to the different packages, such as the mobile app, Gestor+ and solidarity initiatives
- The traditional approach is the one recommended during the early stages after launching the product. However, a direct channel strategy should be developed due to the increase in the use of digital platforms in the insurance industry

A

Situation

B

Complication

C

Question

D

Answer

A

Situation

B

Complication

C

Question

D

Answer

1. SITUATION – EXTERNAL ANALYSIS: INSURANCE MARKET¹

The insurance market is currently facing some challenges, due to changes of the buying patterns of insurance clients, and the response insurance companies have been giving over the years. This led to a small and highly concentrated market, with the different players being focused on its own profitability, sidelining customer needs and existing growing opportunities.

High Market Concentration

There has been a high market concentration in the Portuguese insurance market, with striking business evolutions, in the years 2015 and 2016. Recently, in 2016, it was announced that Tranquilidade (and its subsidiaries, T-Vida and LOGO) was bought by Apollo Global Management, with the acquisition of Açoreana Seguros.

“Size is vital for sustainability”

In the insurance sector, the size of the company becomes crucial for its long-term sustainability. The insurance companies positioned in the Top4 are profiting more and the small companies are experiencing bigger losses. In fact, the Top5 represent 50% of the total market for the last 5 years and it is expected this number to be even higher in the following years. Part of this Top5 list are Fidelidade, Tranquilidade, Ageas and Allianz.

Insurance Client

For the insurance customer, there are 3 crucial factors to be considered: 1) The price they pay for each insurance; 2) The quality of the insurance, in terms of coverages and services granted; 3) Recommendations by friends and family. In addition to these 3 factors, a feeling of trust is also of the utmost importance for the insurance client.

Low Prices

It has been increasingly difficult to keep a competitive price, with very little margins. This becomes even harder in a stagnant market. Many insurance companies went with a low price strategy and are now facing serious capital and profit problems. Of course, the price factor is a consequence of the behavioral evolution of the insurance client.

Time to Market

Time to market is considered to be fundamental: the insurance industry is on the verge of a digital transformation, with fintechs and insurtechs presenting revolutionary business models. Therefore, the big question that haunts all the different players is – “Who will be the first to take the next step?”

¹We defined the product market as life and non-life insurance (as car insurance, house insurance, etc). While other institutions, besides Insurance companies, offer many of these services – banks -, we will treat them as substitutes, as well as the other players which sell similar products as “Health plans” that are communicated to the consumer as similar to an insurance product. Since insurance products are normally sold by brokers, who are supposed to maintain a relationship with the client, consumers normally tend to choose insurance nearby their residence area (geographical scope of insurance competition).

1. SITUATION – EXTERNAL ANALYSIS: INSURANCE MARKET

The price factor is, currently, one of the most important factors for the insurance consumer, who classifies the product as being mandatory and very complex. Still, the introduction of new technologies in the sector allowed a better relationship to be developed with the customer, improving the overall value the companies can deliver to them.

Social/Demographic

Nowadays, there has been a growing disclosure of information and consequent perception of the necessity of prevention and protection by the consumer. However, the price still has a substantial influence. Only 1/3 of the consumers know, henceforth, in which insurance company they will buy the products they need. Employees in the public sector have access to ADSE. According to a study conducted by Tranquilidade, 42% of consumers would preferentially choose ADSE, 32% Health Insurances and 26% didn't know. This preference is due to the greater discounts and cost reductions it gives to its beneficiaries. However, there is still a significant part of the population that chooses Health insurance (which is more representative in high income families). Also, the adherence to life Insurances has diminished since 2008.

Economic

584 thousand people have left their insurance company over the last year, representing 8.5% of the Portuguese population over 15 years old with, at least, one insurance. Despite 89% having said they didn't abandon their insurance company in the last year, 44% of the ones that did so did it for price related reasons. Overall, there is a tendency for the price to be the decisive factor for deciding to leave their current insurance company.

Technological

Price and value comparison websites allow customers to find Insurances very quickly by aggregating policies from multiple insurers and listing them based on quoted price or value, factors that determine how well policies could meet customers' needs. Tablets and smartphones also allow them to do some research, buy and manage general insurance online, which strengthens the relationship between customer and company.

Political/legal

Consumers are obliged to: 1) have a life insurance to serve as a guarantee for their mortgage loan; 2) third party coverage for the auto insurance and 3) coverage against fire for the housing insurance

Environmental

Telematics based services: could be environmental friendly, once it could advise the driver about how to reduce their carbon footprints by driving differently.

1. SITUATION – EXTERNAL ANALYSIS: INSURANCE MARKET

The rise in the number of *players* in the insurance industry, as well as the emergence of substitute products, has led to a decrease in the degree of differentiation of the products and a constant price war between them. Nevertheless, there are a considerable number of opportunities to reach higher levels of profitability for the player able to position itself and outperform its rivals through a differentiation strategy.

High and Increasingly Industry Rivalry

There are many sellers in the market, which contributes to the price decrease (at least one is dissatisfied and will lower the price to improve its market position); Products are undifferentiated/buyers have low switching costs – and firms believe that price reductions will generate substantial increases in market share; There is high industry price elasticity of demand, then price cutting does not harm the industry nearly as much as when consumers have inelastic demand; Fierce competition due to the entrance of new players in the market– Banks and Supermarkets (ex.: Continente); Mergers in the industry–Even though it is becoming a highly concentrated industry, there are still a considerable number of *players*, with low levels of product differentiation which leads to frequent price wars between them.

High and increasing Buyer Bargaining Power

Low switching costs – High price sensitivity (consumers have the possibility of choosing the cheapest Offer); High bargaining power – Wide number of choice possibilities, with low differentiation between them. Therefore, consumers can choose what they want, when they want, which obliges companies to lower their prices.

Low and stable Threat of barriers to Entry

Consumers highly value reputation – must invest heavily to establish a strong reputation and brand awareness. Requires a high capital (however today it is increasingly easier to acquire capital for start-ups, as for example the start-up Oscar of health insurance, in New York, has approximately 1000 million euros from investors); Low product differentiation; easy access to distribution (only provide high commissions); Price wars

Medium but increasing Threat ofSubstitutes

High availability of close substitutes and complements (banks –and supermarkets (eg.: Continente, which sell *Planos de Saúde*); Price value characteristics of substitutes – banks offer benefits in consumer's loans by offering lower interests for their loans *Planos de saúde* are cheaper.

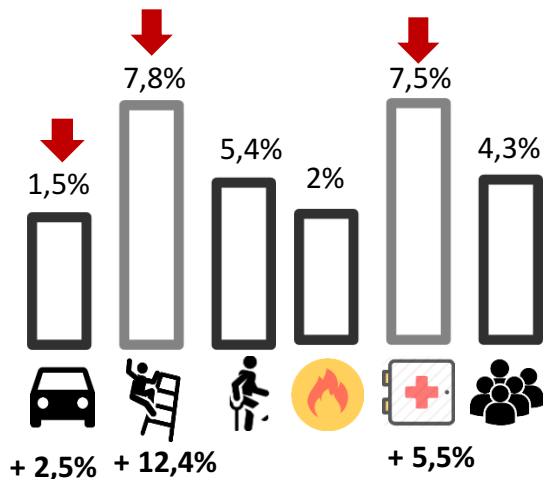
High and Increasing Bargaining Power Suppliers

High bargaining power as they can switch between insurances and sell to the consumer the products from the insurances which give them the higher contributions. However, they can also be complementors when they are devoted to the brand and loyal to the company. In this case, they will enhance the sales and the brand image.

1. SITUATION – EXTERNAL MARKET: CURRENT MARKET OFFER

The branches Não Vida, more dependent on developments in economic activity and the labor market, had a positive evolution (the level of production of direct insurance and results) in the years 2015 and 2016. Already the branch Life noted a strong reduction of production of direct insurance, with particular reference to the fall in savings products not linked to investment funds.

Growth of different sub-branches of Não Vida in 2015 and first half of 2016



Graph 1

Outcome

The sub-branches of work accidents, illness and accidents beds were those that stood out in 2015.

However, in non-life the fundamental pillars of growth observed in 2016 were the methods of work accidents, illness and car.

This growth is mainly based on the increase in the wage bill of the economy, reducing unemployment and expected worsening of accidents at work.

Already the branch Life, who survives to the base to capture savings (PPR and financial products), as well as in raising awareness of the risk of life, and the obligation of hiring an insurance risk life as collateral in credit housing, has been declining since 2015.

The main reasons that are at the origin of this decrease are:

1. Whether adverse economic environment and financial introduced since 2011
2. A decrease in the purchasing power or disposable income of households and their savings

1. SITUATION – EXTERNAL ANALYSIS: INDUSTRY TRENDS

The recent appearance of Insuretechs in the industry has been introducing innovative activities, players and products in the sector, which have been changing the relationship between consumers and players and the way people perceive the insurance industry

Sharing Economy

Due to the soaring tendency observed for Mobility, it creates a market for new types of insurance, since those who sell services in online marketplaces (like Airbnb and Uber) could need liability cover for buyers. Service-users might also like to be covered in case of negligence (rather than having to go through possibly expensive and aggravation of legal action).

Self-driving insurance

In the long-term, self-driving cars could shrink the motor insurance market by reducing accidents and therefore premiums. However, in the short-term, the introduction of self-driving cars and increasing complexity associated with them can be an opportunity for certain insurers

Social broker

Social brokers are a new type of online intermediary. Through social media, it is possible to identify customer segments with poorly-served insurance needs (e.g. people with heart conditions who need travel insurance) by what they say on social media (e.g. “likes”) and other online behaviour. Then, it groups customers with similar needs and negotiates insurance on behalf of groups

Telematics-based services

It allows a flow of data from connected customers’ devices to insurers who use this data for risk assessment and pricing.

Peer-to-peer insurance

Through social media, insurance customers can constitute online networks, where they share risk and aim to have a price reduction.

Consumers have interacted less with insurers than with any other industry. Actually, the customer experience with insurers tends to be threatened more than others. The Internet of Things and the new technologies could be an opportunity and help to create a stronger customer relationship and to improve the rentability, due to a distribution costs’ reduction and an improvement on efficient processes.

1. SITUATION – INTERNAL ANALYSIS

Tranquilidade is one of the oldest and biggest insurance companies in Portugal, and it is currently a company formed by the merger of 3 different companies.



Graph 2

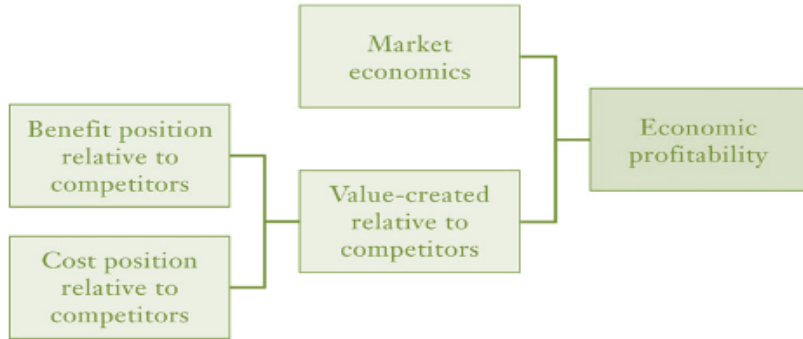
Outcome

- Tranquilidade, alongside with Açoreana and LOGO is one of the Top5 insurance companies in Portugal.
- Founded in 1871, the company is currently in a transformation phase with its strategy “Ambição 2020” which aims to create a stronger and healthier player in the market, to grow in terms of volume and profitability – to be a reference in the market, with high returns for the shareholders and better support for its partners/customers.
- The merger between Tranquilidade and Açoreana, in 2016, was very important to strengthen the position of both companies in the market, creating a relevant player in the market. The focus of the company is now focused on the Customer, innovation and digital processing.
- As one of the oldest insurance companies in Portugal, it gathers 3 characteristics
 1. Technical Knowledge
 2. Distribution Proximity
 3. Capacity of handling processes

1. SITUATION – INTERNAL ANALYSIS

Despite being part of the Top5 insurance companies in Portugal, Tranquilidade still doesn't benefit from a healthy sustainable competitive advantage, to distinguish itself in the market. Nevertheless, it is currently gathering the necessary conditions to create and deliver more value to customers than its direct competitors. – through the accumulated knowledge acquired with recent mergers, reformulating the company's culture and its future strategic plan.

Framework for competitive advantage



A firm's profitability depends jointly on the economics of its market and its success in creating more value than its competitors. The amount of value the firm creates compared to competitors depends on its cost and benefits position relative to competitors. Tranquilidade does not pursue yet from a competitive advantage (none of its resources are VRINNO), however, it is gathering its **capabilities to maximize its resources in order to outperform in the market (Projeto Ambição 2020)**.

Tranquilidade's Resources

- **Competence**
 1. Strong and diversified HR team, including interns and university projects. International team. (Integração de novas empresas (LOGO, Açoreana)
 2. Cultural Management
- **Specialized Asset**
 1. Brand name reputation
 2. Organizational culture (diversified, Project "Ambição 2020")
 3. Accumulated knowledge and experience (Acoreana,

Tranquilidade's Capabilities

- Integration of new companies and good cultural management (LOGO, Açoreana)
- Utilization and management of its Resources to outperform to reach innovation.

1. SITUATION – INTERNAL ANALYSIS

Tranquilidade has to maximize its resources and make them sustainable if a long-term competitive advantage is to be obtained. At the moment, as it was mentioned, the company is gathering its resources and making them “VRINNO”, so that a sustainable long-term competitive advantage is achieved.

Resources	V	R	I	N	N	O	
Strong and diversified HR team, including interns and university projects	x	x	x	x	x	x	Competitive Advantage
Integration of new companies (LOGO, Açoreana) (Competence)	x	x				X	Temporary Competitive Advantage
Cultural Management (Competence)	x	x				X	Temporary Competitive Advantage
Brand name reputation (Specialized Asset)	x	x				X	Temporary Competitive Advantage
Organizational culture	x	x	x	x	X	x	Competitive Advantage
Accumulated knowledge and experience	x	x	x	x	x	x	Competitive Advantage

Despite being one of the Top5 insurance companies in Portugal, the company didn’t have a competitive advantage that could differentiate the company from its rivals. Nevertheless, throughout 2016, it has been accumulating resources and capabilities to develop a sustainable competitive advantage. This effort to differentiate and create more value is manifested in the project “Ambição 2020”

1. SITUATION – INTERNAL ANALYSIS – Project “Ambição 2020”

Strategy Ambição 2020: to create a stronger and healthier *player*, raising in both volume and sustainability – a reference for the market, with high return for the shareholders and a support for its customers and partners.



Retention Rate
Centric

Cross-selling

Upselling

Customer
Centric

AMBIÇÃO 2020

Differentiation

Inovation

A

Situation

B

Complication

C

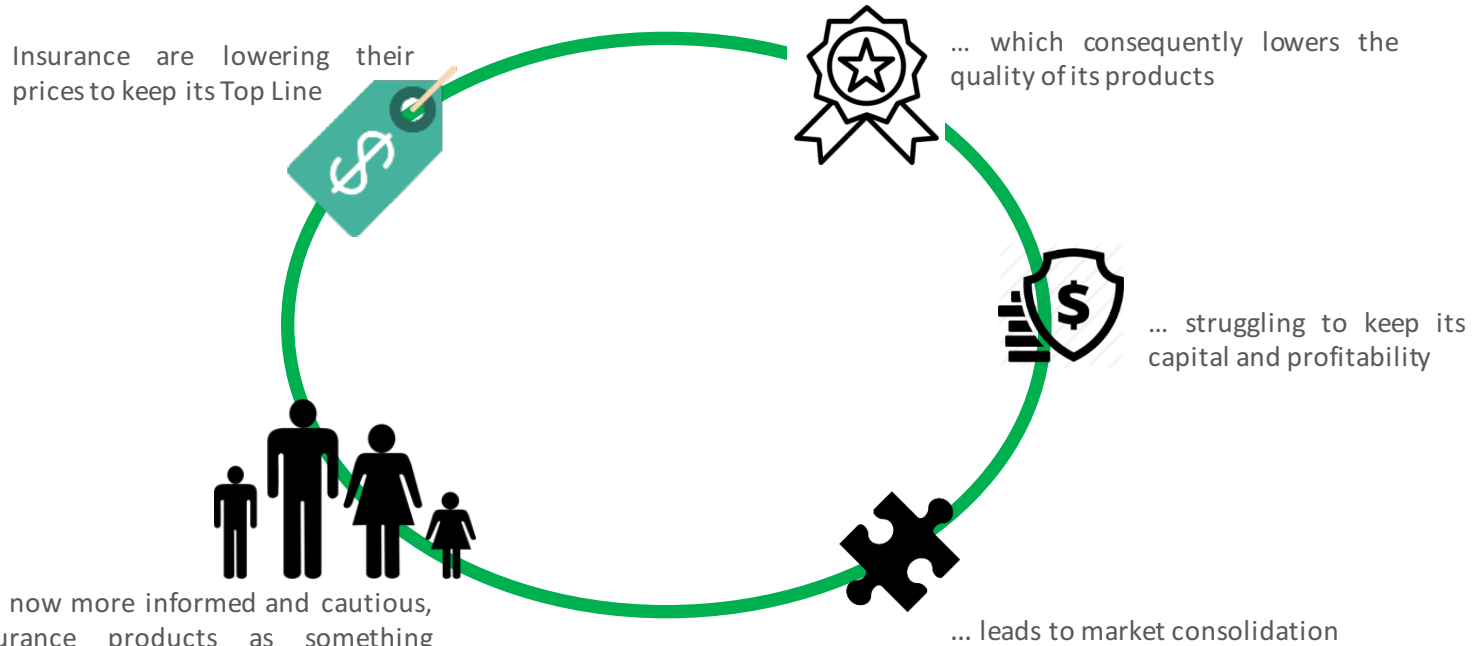
Question

D

Answer

2. COMPLICATION – MARKET EVOLUTION

The insurance market in Portugal is undergoing a negative tendency. Most of the companies have lowered their prices, facing a constant price war to keep its Top Line, instead of differentiating themselves with products with higher quality. This is a cycle that reflects the current preferences of the consumer (price sensitivity).



The consumer is now more informed and cautious, and sees insurance products as something mandatory. There is a tendency to give more importance to the price instead of the quality of the product.

2. COMPLICATION – COMPETITORS’ STRATEGY AND RESPONSE TO THE MARKET EVOLUTION (1/2)

The recent evolution of the insurance market forced the different *players* to implement differentiation strategies for their products and services

Fidelidade

“**A Nova Fidelidade de Sempre**” is the new positioning of Fidelidade, which reflects the technological transformation that is happening in the insurance sector. The following apps were developed: 1) **APP Fidelidade Assistance**: to make the auto, medical or travel assistance more accessible; **APP Fidelidade**: Customer can manage better their relationship with the company, regardless of where they are; **Telemática**: allows customers to rate their driving, with the goal of improving their behavior, reducing their risk; **Machine Learning Systems**: Allows the company to better know its customers, providing them with the solutions that best fit their needs

Ageas

Ageas Group launched a mobile app for both iPhone and Android called “*Mundo Seguros Ageas*”. It can easily identify partners, track them, and give them discounts through online platforms. For Ageas customers there is also a digital card that grants discounts and gives the customers the possibility of receiving notifications with the latest news in Ageas. They can also list their favourite partners, write comments and rate them. The app is linked to the Facebook account for more customization. In addition, there is a GPS hauling service and rewards for young customers (e.g. if you’re under 25 years old and you don’t have an accident in the last 2 years, they give you back the extra premium you would pay due to the increase in age)

Liberty

Created a different segmentation and communication for its home insurance, according with the life stage of the family. Also, the App Liberty, recently launched, allows customers to see their insurance coverages, payment status, send pictures in case of a car accident, 24h assistance and benefit from Club Liberty.

Allianz

The Allianz App was recently launched, providing customers with permanent on the road assistance, workshop tracking, useful Allianz contacts and information of the Insurances.

2. COMPLICATION – COMPETITORS’ STRATEGY AND RESPONSE TO THE MARKET EVOLUTION (2/2)

The recent evolution of the insurance market forced the different *players* to implement differentiation strategies for their products and services

Alianz

The Allianz App was recently launched, providing customers with permanent on the road assistance, workshop tracking, useful Allianz contacts and information of the Insurances.

Ok! Teleseguros

OK! Teleseguros is a mobile app, similar to Fidelidade Assistance, to simplify and improve the customer’s experience. This app allows them to do insurance simulations, ask for assistance, check/change current Insurances, take pictures of the car accidents and send them to the company without the need of filling in friendly statements. **App Ok! Drive You** aims at promoting a safer and more conscient driving behavior, by analyzing the driver’s behavioral patterns, in real time.

Lusitania

Lusitania Plano E+ was not very successful. It gave the possibility to its customers to add several Insurances, according to their needs. The payment can be annual, semiannual, quarterly or monthly, without extra costs associated with it. There are discounts associated with the loyalty period of the customer. Lusitania also has an app *LusitaniaHelpU*.

A

Situation

B

Complication

C

Question

D

Answer

3. QUESTION – PROJECT

With the objective of better meeting customers needs, Tranquilidade has developed a strategic plan with a differentiation strategy – the development and selling of a multiproduct package, which will differentiate from the remaining products for its advantages and the added value that it would deliver for both the customer and the company

“We want to transform Insurances in something that brings value to customers instead of being seen only as a commodity: “I pay x per month and I just don’t care about it”. There is a great potential for Tranquilidade to tackle new opportunities and we are more than ever receptive to innovation and differentiation.” Jan Pooter, CEO Tranquilidade



The introduction of this package on the market allows to gain an advantage in certain factors which are in accordance with the general objectives of Tranquilidade.

Is the introduction of the multi-product packages viable and sustainable in the portuguese insurance industry?

After the confirmation of the existing opportunities in the portuguese insurance industry, the goal of this project is to develop several multiproduct packages, along with a Pricing, Communication and distribution strategy, for different market segments.

3. QUESTION – FINAL OUTPUT

The output of the project is a Matrix that will contemplate different offers with its respective prices. Because it is a new product in the market, there is also the need for developing a Communication and distribution strategy for the products.

- What are the customer segments that will be most receptive to these insurance packages?
 - What products it makes sense to include (Health / Life / Auto / Home / other)?
- What should be the composition of supply and pricing for each package, aimed at a particular segment?
- (This output should be based on the previous points, as well as the accident rate for each product, the profitability of each segment and the competitiveness of tranquillity in the national market) that sales channels it makes sense to use?
 - Traditional or straight? How should be made the communication of the packs?
- What is the message to pass? What means preferential for the target set and given a budget of communication limited?

	Pack 1	Pack 2	Pack 3
Escalões etários / segmento de clientes 1	intervalo de preços*	intervalo de preços*	intervalo de preços*
Escalões etários / segmento de clientes 2	intervalo de preços*	intervalo de preços*	intervalo de preços*
Escalões etários / segmento de clientes 3	intervalo de preços*	intervalo de preços*	intervalo de preços*
	* para 8 em cada 10 clientes		



Canal

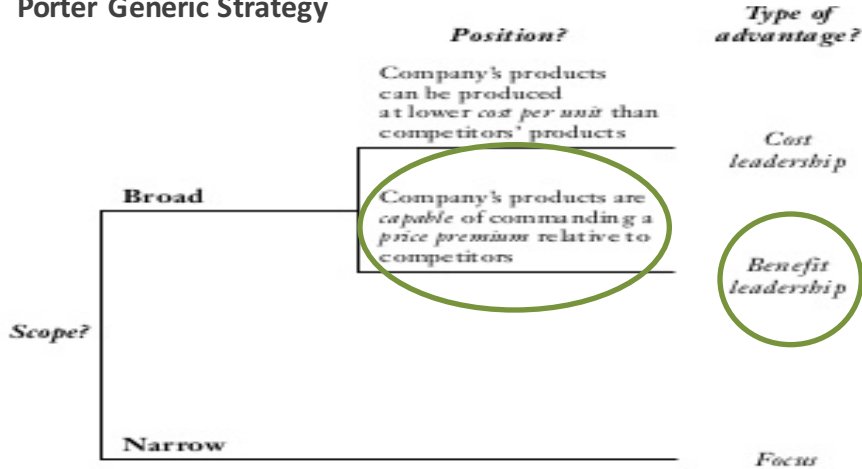


Communication

3. QUESTION – FINAL OUTPUT

This product is aligned with the strategy *Ambição 2020*, which is being implemented in its organizational culture, allowing them to position themselves above its competitors through a differentiation strategy (Benefit Leadership).

Porter Generic Strategy



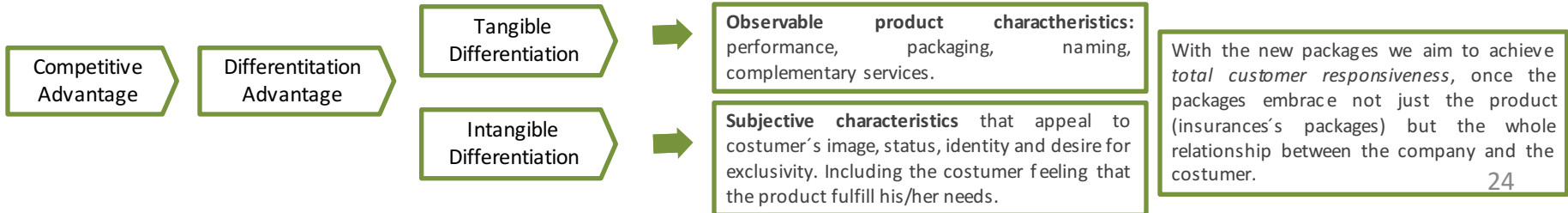
Outcome

The goal with this new concept of product is **to create more value to consumers than its competitors** by offering a product that has higher quality, performance and service than competitors (solving a need that is not satisfied yet).

This will allow Tranquilidade to set the same prices as its competitors and sell more than what they do, or to charge a premium price and achieve higher price-cost margins than what others can.

In this case, the Benefit Leadership would be achieved by:

- The characteristics of the product (its concept and features which match real needs, quality and performance)
- Service and its characteristics (complementary products, assistance and support)
- The subjectivity image of the product: psychological rewards that the consumer receives from purchasing and owning the product)



A

Situation

B

Complication

C

Question

D

Answer

A

Situation

B

Complication

C

Question

D

Answer

D.1

Final Matrix – Product and Price

4. ANSWER – METHODOLOGY

The Methodology used for the project is divided in 3 different steps: an initial diagnosis, followed by data and behavioral analysis and, then, definition of recommendations.

	Feb				Mar				Apr				May			
	06.	13.	20.	27.	06.	13.	20.	27.	03.	10.	17.	24.	01.	08.	15.	22.
Diagnosis																
<ul style="list-style-type: none"> Contextualization of the Problem (Internal and External Analysis – Company, Market, Competitors) – Preliminary Qualitative Survey Identification and Analysis of <i>Players</i> (domestic and international) that already offer the product <ul style="list-style-type: none"> Avaliação das práticas existentes no mercado de seguros e outras indústrias (Telecomunicações) - Benchmark Analysis of the existing segments in the market Analysis of Pricing variables by channel 	[Bar]				[Bar]				[Bar]				[Bar]			
Analysis																
<ul style="list-style-type: none"> Formulation and launching of the questionnaire Data Gathering and analysis (Agents and Consumers' Behaviors), Interviews and Focus Group <ul style="list-style-type: none"> Identification and characterization of Segments and their lifestyle Analysis of preferable products and benefits according to the different segments and lifestyle Pros and Cons of the different Distribution Channels Current Communication Strategy; Benchmark of communication messages and strategies naonal and world wide. 	[Bar]				[Bar]				[Bar]				[Bar]			
Recommendation																
<ul style="list-style-type: none"> Define which segment of clientes to sell the products to Define which products to each segment Deine pricing strategy for each segment Define Communication and distribution strategy 	[Bar]				[Bar]				[Bar]				[Bar]			

4. ANSWER – FINAL OUTPUT - Gold

Presented below is the commercial output. Communicating the matrix like this, age range with minimum price for the package, allows the matrix to be used as a guideline for insurance agents. The options presented below represents a set of filtered options that are more costly, when compared to the Silver Solution, but offer higher protective measures and ease of mind as well.

		Auto + Habitação		Min		Max		Auto + Saúde		Min		Max		Auto + Hab + Saúde		Min		Max		Auto + Hab + Vida		Min		Max		Auto + Hab + Saude + Vida		Min		Max	
Gold Solution	5] - WE ARE TOO YOUNG TO HAVE AN ACC...AL	[36,45] - MY FIRST GREY HAIR		[Valor]+[Essencial + Ambulatorio]		32 €	45 €	[Valor]+[Essencial + Ambulatorio]+[VALOR MAIS- Imóvel + recheio]		40 €	64 €	[Valor]+[VALOR MAIS (75K)]+[LIGHT - Imóvel + recheio]		[Valor]+[Essencial + Ambulatorio] + [VALOR- Imóvel + recheio]+[VALOR MAIS (75K)]		69 €	81 €														
	[36,45] - MY FIRST GREY HAIR					24 €	56 €			52 €	94 €					43 €	96 €	75 €	88 €												
	[46,55] - GEORGE CLOONEY					[Valor]+[ESSENCIAL- Imóvel + recheio]	21 €			61 €	[Valor]+[Essencial + Ambulatorio]+[ESSENCIAL- Imóvel + recheio]					63 €	106 €	[Essencial]+[ESSENCIAL- Imóvel + recheio]+[VALOR (50K)]	44 €	98 €	[Valor]+[ESSENCIAL- Imóvel + recheio]+[Essencial + Ambulatorio]+[VALOR MAIS (75K)]	59 €	84 €								
	55+ - OF COURSE | STILL LOVE YOU					[Valor]+[VALOR MAIS- Imóvel + recheio]	23 €			55 €	Valor+Saúde Sénior					25 €	89 €														

4. ANSWER – FINAL OUTPUT - Silver

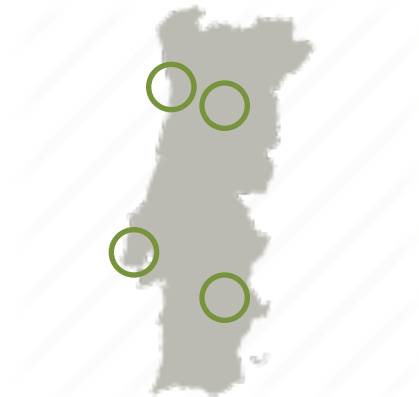
Presenting now the Silver Solution, which are the the less costly options the group was able to find, that respect the conditions of being both useful and within possible combinations in Tranquilidade’s current offers.

		Auto + Habitação		Min	Max	Auto + Saúde		Min	Max	Auto + Hab + Saúde		Min	Max	Auto + Hab + Vida		Min	Max	Auto + Hab + Saude + Vida		Min	Max
Silver Solution	[26,35] - WE ARE TOO YOUNG TO HAVE AN ACC...AUTSHI	[Light]+[Essencial + Ambulatorio]				25 €	37 €	[Essencial]+[VALOR MAIS- Imóvel + recheio]+[Essencial + Ambulatorio]				37 €	57 €	[Essencial]+[Valor Mais Imóvel + recheio]+[Valor]+[VIDA COOL MAIS]				66 €	77 €		
	[36,45] - MY FIRST GREY HAIR					[Essencial]+ [Essencial]						22 €	32 €					49 €	71 €	[Essencial]+[LIGHT - Imóvel + recheio]+[VALOR MAIS (75K)]		16 €	32 €	[Essencial]+[Essencial- Imóvel + recheio]+[Essencial + Ambulatorio]+[VALOR MAIS (75K)]		70 €	78 €
	[46,55] - GEORGE CLOONEY	[Essencial]+ [Essencial- Imóvel + recheio]				[Essencial]+[ESSENCIAL- Imóvel + recheio]+[Essencial + Ambulatorio]				62 €	84 €	[Valor]+[VALOR (50K)]+[ESSENCIAL- Imóvel + recheio]		19 €	53 €	[Essencial]+[Essencial + Ambulatorio]+[Essencial-Imóvel + recheio]+[Valor Mais (75K)]		62 €	67 €		
	55+ - OF COURSE I STILL LOVE YOU	[Essencial]+[VALOR MAIS- Imóvel + recheio]				20 €	47 €	[Essencial]+ [Saúde Sénior]		22 €	81 €										

4. ANSWER – Survey – Exploratory Data (1/4)

The Final Matrix is the output that was developed through a group of different steps. The main one is the survey that it was conducted, over the period of 2 weeks, to obtain the variables that were needed to understand in order to create the *multiproduct packages*, its respective price and respective channel of Distribution and Communication.

Responses	#
Total	882
Buys Insurances	681
Valid	532



1. During the 2 weeks in which we conducted the survey, we were able to collect a total of 882 responses. Of these 882, only 681 said that they were responsible to buy Insurances. That is, 201 said that they had never bought Insurances. Since the purpose of the survey was only aimed to people who buy Insurances, we eliminated these respondes. Finally, of the 681 responses, 149 had a wrong zip code. Therefore, because we couldn't determine the region they currently live in, we didn't consider in our analysis. This makes a total of 532 valid responses, which were carefully examined.

2. The responses were collected from 5 different regions, based on the assumption that their needs and behavior could differ: Lisbon (Centre and Outskirts), Porto, Viseu, Alentejo.

4. ANSWER – Survey – Exploratory Data (2/4)

The Final Matrix is the output that was developed through a group of different steps. The main one is the survey that it was conducted, over the period of 2 weeks, to obtain the variables that were needed to understand in order to create the *multiproduct packages*, its respective price and respective channel of Distribution and Communication.

Auto	Housing	Health	Life	Personal Accident	Accident at Work
456	398	356	229	123	90

One of the main goals of the survey was to understand the needs of the consumer. Therefore, the respondents were asked to select the insurances they would have included in the packages. They were presented with the following list: Auto, Housing, Health, Life, Personal Accidents, Accidents at Work, Travel, Liability and Mobile/Computer. As shown, in the table above, the Insurances that were selected more often were Auto, Housing, Health and Life.

Age Group	Auto	Housing	Health	Life	Personal Accident	Liability	Accident at Work
[18,25]	21	9	17	5	8	3	8
[26,35]	120	101	117	60	33	32	25
[36,45]	176	158	134	99	47	55	33
[46,55]	73	70	51	45	21	13	17
55+	66	60	37	20	14	10	7
Total Geral	456	398	356	229	123	113	90

These general results were helpful to get some insights about which insurances to include in the multiproduct packages but we wanted to have a different offer for each age group so we filtered the choices by age group and we found out that the choice of insurance didn't change.

4. ANSWER – Survey – Exploratory Data (3/4)

The Final Matrix is the output that was developed through a group of different steps. The main one is the survey that it was conducted, over the period of 2 weeks, to obtain the variables that were needed to understand in order to create the *multiproduct packages*, its respective price and respective channel of Distribution and Communication.

Age Group	Auto		Housing			Health			Life		
	Third Parties	All Risks	Building	Household	Building + Household	Essencial	Valor	Prestígio	Death	Serious Illness	Disability
[18,25]	62%	38%	0%	0%	100%	25%	13%	63%	75%	0%	25%
[26,35]	59%	41%	30%	12%	58%	18%	21%	61%	49%	15%	37%
[36,45]	60%	40%	35%	14%	51%	19%	24%	57%	48%	13%	39%
[46,55]	56%	44%	20%	26%	54%	28%	12%	60%	46%	21%	33%
55+	68%	32%	14%	26%	60%	44%	8%	48%	47%	13%	40%

Not only were we interested in finding what type of Insurances to include in the mutiproduct packages but also what type of insurance coverages to include in each one. Therefore, respondents were asked in the survey which type of coverages they wanted for each insurance.

- Auto: For every age group, the majority of the respondents went for “third party” instead of going with “all risks”.
- Housing: For every age group, the majority of the respondents chose the option “Building+Household”.
- Health: The majority of the respondents said they wanted the option “Prestígio”.
- Life: We noticed that the biggest concern of people that chose to have a life insurance was the risk of “Death” and “Disability”; “Serious Illness” was not significant.

4. ANSWER – Survey – Exploratory Data (4/4)

The Final Matrix is the output that was developed through a group of different steps. The main one is the survey that it was conducted, over the period of 2 weeks, to obtain the variables that were needed to understand in order to create the *multi-product packages*, its respective price and respective channel of Distribution and Communication.

	Age Group	[18,25]	[26,35]	[36,45]	[46,55]	55+
Marital Status	Married	1%	27%	41%	16%	16%
	Divorced	2%	8%	40%	35%	15%
	Single	20%	41%	30%	8%	0%
	Widow	0%	0%	7%	21%	71%
Region	Alentejo	4%	33%	33%	17%	13%
	Lisbon (centre)	5%	27%	46%	15%	8%
	Lisbon (Outskirts)	2%	25%	29%	20%	24%
	Porto	9%	28%	41%	11%	11%
	Viseu	2%	28%	22%	24%	24%
Income	< 500€	33%	33%	33%	0%	0%
	[500€, 1000€[	11%	26%	38%	12%	14%
	[1000€, 2000€[	5%	29%	41%	12%	14%
	[2000€, 3000€[	1%	32%	46%	8%	13%
	[3000€, 5000€[	4%	16%	37%	31%	12%
	5000€ ou + 5000€	0%	35%	16%	39%	10%
Gender	Male	81%	84%	81%	53%	39%
	Female	19%	16%	19%	47%	61%

The distribution of our sample is shown in the table on the left. We used the group age as the major driver. However, we also crossed it with other variables, such as marital status, region, Income and Gender. This is very important for the Communication strategy.

- *Age Group*: As we can see, the majority of our respondents is concentrated in the age ranges between [26,35] and [36,45].
- *Marital Status*: Most of our sample is constituted by married people.
- *Region*: Despite considering 5 different regions, we focused more in Lisbon (Centre and outside) and Porto.
- *Income*: A significant part of the sample has a monthly income [1000;3000]
- *Gender*: Most of our respondents (almost 70%) is female.

4. ANSWER – Survey - How to find the different options

In order to understand how the group reached the different options the methodologies need to be explained. There was the need to use two different methodologies for 1) Home & Auto and 2) Life and Health. The reason for this is that for 2) there are fixed price that depend only on the person's age hence each person was allocated into a specific option based on his/her age. For 1), this methodology does not hold because there are more factors influencing the price beyond age (e.g type of car; zip code; etc..)

Before entering into details, here is a quick overview of the methodology used each one of the following

Home & Auto

For Auto & Home the methodology is quite similar with the difference of the options there are available for each one of them. The main idea is to match the coverage options of Auto & Home that each person chose in the questionnaire and the price with the closest option available within Tranquilidade's currently set of options.

A further and detailed analysis will now be presented for Auto and Health insurance. The methodology for Home and Life is the same as the one presented for Auto and Health, respectively.

Life and Health

As the coverage options from the questionnaire don't match the ones offered by Tranquilidade, it was necessary a different methodology. For Life & Health there was the need to match the age range of Tranquilidade's commercial tables with the age range being used in the analysis. It was allocated then each coverage option to each age range having into account the options available on Tranquilidade's set of current options.

4. ANSWER – Survey - Auto Coverage option in detail (1/1)

In order to have the price interval for the intersection between the coverage option and the age group, it was used the questionnaire to understand what coverage options people have chosen (one out of two – against third parties and against all risks– and a match was made between 80% of those choices and Tranquilidade’s.

Age Group	Auto + Home					
	Auto + Home	Against Third Parties	Against All Risks			
[26,35]	1	1	0	Against Third Parties	230	Essencial - Against Third Parties
[26,35]	1	0	1	Against All Risks	500	Valor - Against All Risks
[26,35]	1	0	1	Against All Risks	500	Valor - Against All Risks
[26,35]	1	0	1	Against All Risks	480	Valor - Against All Risks
[26,35]	1	0	1	Against All Risks	400	Valor - Against All Risks
[26,35]	1	1	0	Against Third Parties	180	Light - Against Third Parties
[26,35]	1	1	0	Against Third Parties	180	Light - Against Third Parties

Table 1

Coverage	Nº
Essencial - Against Third Parties	44%
Valor - Against All Risks	35%
Valor mais - Against All Risks	5%
Prestígio - Against All Risks	5%
Total	100%

Table 1.1

Considering the table 1 one can now see the coverage option that is being given to each person. Based on the price an individual pays there is an allocation of the coverage option that Tranquilidade’s is ready to offer. To further understand we can see that the individual that is paying 230€ per year for its coverage option is being allocated to the ‘Essencial’ option. Doing this process to everyone, one is able to reach the most important coverage options hence the ones that will figure in the final table.

In order to reach the average price per coverage option, the interval of the 80% from Tranquilidade’s dataset has been used, and the minimum and the maximum from this 80% of people, represent the minimum and maximum from the coverage option. After having all the coverage options listed and allocated to each person one must understand how will they be filtered for the final matrix. It was decided that if they represented a value bigger than 30% within its own segment (see table YY) than they would be at the preliminary matrix.

Methodology used for reaching the range of the average price per age group in Auto

First and foremost, it was created a sort of mask that filtered for each age agroup and the package each person has chosen, the price each individual pays for its auto insurance.

Picturing the following case presented at table 1 where it is a set of individuals and the coverage option that each one of them answered along with the price.

At Tranquilidade’s database it was extracted, for each age group the amount of insurance policies and total premium each auto coverage option has, with a rolling window of one year, - from May 2016 to May 2017. Notice that this are only new daily produced policies and not the total.

The group has reached a premium per insurance policy for each coverage option (this was done for every age group) using Tranquilidade’s database. This premium works as a reference so that it is possible to allocate a coverage option to each individual and afterwards understand what are the most wanted coverage options per age segment.

In order to reach the average price per coverage option, the interval of the 80% from Tranquilidade’s dataset – reason being to remove outliers and make sure the table is communicated for 8 out of 10 people - has been used and the minimum and the maximum represent that interval.

4. ANSWER – Survey - Health Coverage option in detail(1/1)

Presenting now the coverage health option, where it was necessary to compare the fixed prices from the company – available for sale – with the ones that people from the questionnaire said they have. With this methodology, it was possible to assign a coverage option to each segment for each package. In this way, later on, it was possible to have a price for them.

	Saude					
	Essencial	Essencial + Ambulatorio	Valor	Valor + Estomatologia	Prestigio	Saude Extra Care
[18,25]	76 €	210 €	600 €	711 €	1 269 €	82 €
[26,35]	81 €	256 €	542 €	678 €	1 279 €	116 €
[36,45]	159 €	467 €	663 €	837 €	1 598 €	189 €
[46,55]	203 €	627 €	1 118 €	1 251 €	2 230 €	317 €
55+	PREÇO IGUAL PARA TODOS - SAUDE SENIOR					

Table 2

80% do range			
Auto + Hab + Saúde	46-55	563,00 €	Essencial + Ambulatorio

Table 2.1

Presenting now a walk through the methodology for a specific case. Considering the package “Home + Auto + Health” and the age segment 46-55 years old, the average of 80% of what the individuals inside this category pay is 563€. We can now verify on the table 2, the coverage options that this person budget allows him/her to access. In this case, presented specifically, there is a discount on the cross sell that allows the consumer to have the coverage option presented.

Having the coverage option defined – in this case Essencial + Ambulatório – one just needs to verify the price interval for this option at Tranquilidade (appendice XXX). Assuming the segment 46-55, the minimum corresponds to the price of 46-50 and the maximum to 51-55, for the respective coverage option.

Source: Questionário Cliente ,+ Tranquilo, Consulting Lab, 2017

Based on Tranquilidade’s Health table (see appendix) – which has a price fixed for an age range, we can derive the minimum and maximum price that a segment pays, as well as the coverage option the person has.

The age groups are different from Tranquilidade’s price table and the ones being presented at the final table. In order to correct for this, it was performed an analysis to know the amount of individual policies in each of the ranges. As the objective is to understand how much is the contribution of the smaller ranges in Tranquilidade’s table to the ones being considered in the final matrix, one must understand how they contribute to this. To do so, it was considered the amount of last year’s new insurance policies for each one of this ranges. After this, there is a need to understand how much is the contribution of the price that corresponds to each small range, to the big one – the one present at the final matrix. E.g: Consider 100 people from 26-35. If there is 40 between (1) 26-30 and 60 between (2) 31-35, the price that will be used as reference for this segment will be the price of the coverage option at Tranquilidade’s table for (1) times 0.4 plus (2) times 0.6.

For each package and age group, it was calculated the average price that 80% of the individuals pay for their Health insurance. With this, there was a match with the option described previously, with the respective coefficients.

To find the final range for each coverage option in the package, it was considered the prices that Tranquilidade has on the market, based pricing table, covering all the ages considered.

4. ANSWER – The price intervals for each age segment and package

One of the fundamental steps in order to reach the final matrix is to get the individual matrix for each product (Home; Auto; Health and Life) where one has the coverage options that were decided from the previous analysis as well as the price range for each.

It was reached the Auto, Health, Home and Life insurance tables with the minimum and maximum price for each coverage option. (Both Life and Home have the same structure with the respective methodology as Health and Car, respectively).

These tables are the stepping stone for our final matrix. From them, it was combined all the coverage options for the product being analysed.

The group has combined all the intersection of age group (lines) with package (columns) in each product (Auto, Home, Life and Health) with the other products. E.g: If there is two coverage option in Auto (Essencial & Valor) and one in Health (Ambulatório), these will be combined into two different packages that are:

1. Essencial + Ambulatório
2. Valor + Ambulatório

Pricing

For (1) and (2), the price interval was calculated summing the contribution of the different coverage options (sum of the minimums and sum of the maximums).

- In the case presented before, the price range for (1) would be the minimum of Essencial + the minimum of Ambulatório, which were presented before.

All these combinations lead us to the preliminary matrix (see appendix).

4. ANSWER – Preliminary Matrix

Combining the four of them it is possible to achieve the preliminary matrix presented here. It is a representation of all the possible combinations – filtered according to our questionnaire preferences and the database as well – that is ready to be the base for the final one.

[26,35]

Auto + Home	Auto + Health	Auto+Home+Health	Auto+Home+Life	Auto+Home+Health+Life
	Valor+Essencial + Ambulatorio 384 € 540 €	Valor+Essencial + Ambulatorio+VALOR MAIS- Imóvel + receio 485 € 772 €		Valor+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel 791 € 896 €
	al+Essencial + Ambulatorio 341 € 458 €	Essencial+Essencial + Ambulatorio+VALOR MAIS- Imóvel + receio 441 € 690 €		Valor+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel + receio 833 € 972 €
	Light+Essencial + Ambulatorio 305 € 446 €			Essencial+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel 748 € 853 €
				Essencial+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel + receio 789 € 928 €

As explained before, the preliminary matrix (on the left only a part of the matrix, to see the entire go to appendix, has all the combinations that were considered relevant in the analysis of the questionnaire.

There is now the need to select this options to present in the final matrix. To start with, this matrix was divided in two (the Gold and the Silver solutions). The reason for this division is the different needs that consumers might have. While creating a package, one can not cover all the needs, of course. But this solutions allows to cover the Safety Driven people (with the Gold) and the Price Driven people (Silver)

To select those, the group checked the ones that have more importance to the clients in Tranquilidade, using their Database, in the cases where it is needed (more than two options).

4. ANSWER – Survey - Final Matrix - Before being ready for communication

One can see now the Gold Solution before being ready for communication. In commercial terms, this structure is not so interesting when compared to the one presented in the final matrix. Reason being that this is only a description for an age segment and the package itself, but does not allow the company to communicate the prices, which is one of the main drivers for people to buy insurance.

		Auto + Habitação		Min		Max		Auto + Saúde		Min		Max		Auto + Hab + Saúde		Min		Max		Auto + Hab + Vida		Min		Max		Auto + Hab + Saude + Vida		Min		Max	
Gold Solution	5] - WE ARE TOO YOUNG TO HAVE AN ACC...AL	[Hatched]		[Hatched]		[Valor]+[Essencial + Ambulatorio]		32 €	45 €	[Valor]+[Essencial + Ambulatorio]+[VALOR MAIS- Imóvel + recheio]		40 €	64 €	[Hatched]		[Hatched]		[Valor]+[VALOR MAIS- Imóvel + recheio]+[Valor]+[VIDA COOL MAIS]		69 €	81 €										
	[36,45] - MY FIRST GREY HAIR					[Valor]+[Essencial]		24 €	56 €	[Valor]+[Essencial + Ambulatorio]+[ESSENCIAL- Imóvel + recheio]		52 €	94 €					[Valor]+[VALOR MAIS (75K)]+[LIGHT- Imóvel + recheio]		43 €	96 €	[Valor]+[Essencial + Ambulatorio] + [VALOR- Imóvel + recheio]+[VALOR MAIS (75K)]		75 €	88 €						
	[46,55] - GEORGE CLOONEY	[Valor]+[ESSENCIAL- Imóvel + recheio]		21 €	61 €	[Hatched]		[Valor]+[Essencial + Ambulatorio]+[ESSENCIAL- Imóvel + recheio]		63 €	106 €	[Essencial]+[ESSENCIAL- Imóvel + recheio]+[VALOR (50K)]		44 €	98 €	[Valor]+[ESSENCIAL- Imóvel + recheio]+[Essencial + Ambulatorio]+[VALOR MAIS (75K)]		59 €	84 €												
	55+ - OF COURSE I STILL LOVE YOU	[Valor]+[VALOR MAIS- Imóvel + recheio]		23 €	55 €			Valor+Saúde Sénior		25 €	89 €	[Hatched]		[Hatched]		[Hatched]		[Hatched]		[Hatched]											

4. ANSWER – Survey - Final Matrix - Before being ready for communication

The Silver solution, also not ready for communication. From this, one just needs to figure out the correct price intervals to present to consumers.

		Auto + Habitação		Min		Max		Auto + Saúde		Min		Max		Auto + Hab + Saúde		Min		Max		Auto + Hab + Vida		Min		Max		Auto + Hab + Saude + Vida		Min		Max			
Silver Solution	[26,35] - WE ARE TOO YOUNG TO HAVE AN ACC...AUTSHI	[Light]+[Essencial + Ambulatorio]						25 €	37 €	[Essencial]+[VALOR MAIS- Imóvel + recheio]+[Essencial + Ambulatorio]						37 €	57 €	[Essencial]+[Valor Mais Imóvel + recheio]+[Valor]+[VIDA COOL MAIS]						66 €	77 €								
	[36,45] - MY FIRST GREY HAIR	[Essencial]+ [Essencial]						22 €	32 €	[Essencial]+[ESSENCIAL- Imóvel + recheio]+[Essencial + Ambulatorio]						49 €	71 €	[Essencial]+[LIGHT - Imóvel + recheio]+[VALOR MAIS (75K)]						16 €	32 €	[Essencial]+[Essencial- Imóvel + recheio]+[Essencial + Ambulatorio]+[VALOR MAIS (75K)]						70 €	78 €
	[46,55] - GEORGE CLOONEY	[Essencial]+ [Essencial- Imóvel + recheio]						[Essencial]+[ESSENCIAL- Imóvel + recheio]+[Essencial + Ambulatorio]						62 €	84 €	[Valor]+[VALOR (50K)]+[ESSENCIAL- Imóvel + recheio]						19 €	53 €	[Essencial]+[Essencial + Ambulatorio]+[Essencial-Imóvel + recheio]+[Valor Mais (75K)]						62 €	67 €		
	55+ - OF COURSE I STILL LOVE YOU	[Essencial]+[VALOR MAIS- Imóvel + recheio]						20 €	47 €	[Essencial]+ [Saúde Sénior]						22 €	81 €																

4. ANSWER – Point of Situation – Qualitative analysis (1/10)

To be able to build the Survey, initial steps were needed. Hence, and in order to assess how the portuguese market would react to the implementation of “+ Tranquilo”, a qualitative analysis was conducted, from which some hypothesis were retrieved.

Qualitative method

It helps identifying the problem and better the approach to be used to solve it afterwards;

It intends to isolate variables and key relations for future analysis and quantitative studies;

All the information used in the construction of the qualitative questionnaire was based on two diferente sources: internal information of the company, as well as online information;

Development

Objective

To achieve a broader vision about the insurance reality in Portugal – **know-how, insights**, as well as the attractiveness of “+ Tranquilo”

Characteristics

The information to be found was defined throughout the process, that is, depending on the interviewees’ answer, the interviewer controled the direction of the conversation. The process is flexible and not structured. The sample is, by definition, small and non-representative, being a qualitative analysis.

Results

Hypothesis to be tested further

Usefulness

To serve as a basis for the quantitative questionnaire.

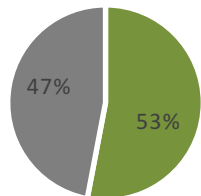
4. ANSWER – Point of Situation – Qualitative analysis (2/10)

43 individuals were interviewed during the qualitative questionnaire, using two different methods, O estudo é constituída por 43 indivíduos, com entrevistas de conveniência e por julgamento.

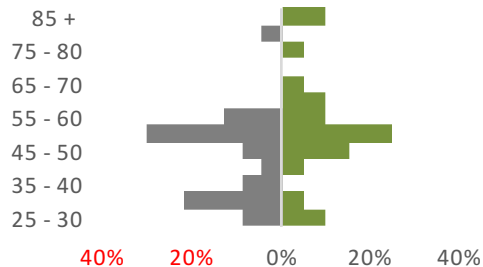
Qualitative questionnaire

- **Sample:** Individuals with insurance;
- **Process:** Individuals were interviewed in person;
- **Sample size:** 43 individuals, aged between 28 and 92 years.

Gender



Age Distribution



Sample

Interviewing Method: individuals were randomly selected by the interviewers.



9 interviews



Judgemental sample

Interviewing Method: individuals were selected Elements da amostra foram seleccionados de acordo com o julgamento ou perspectiva do pesquisador.



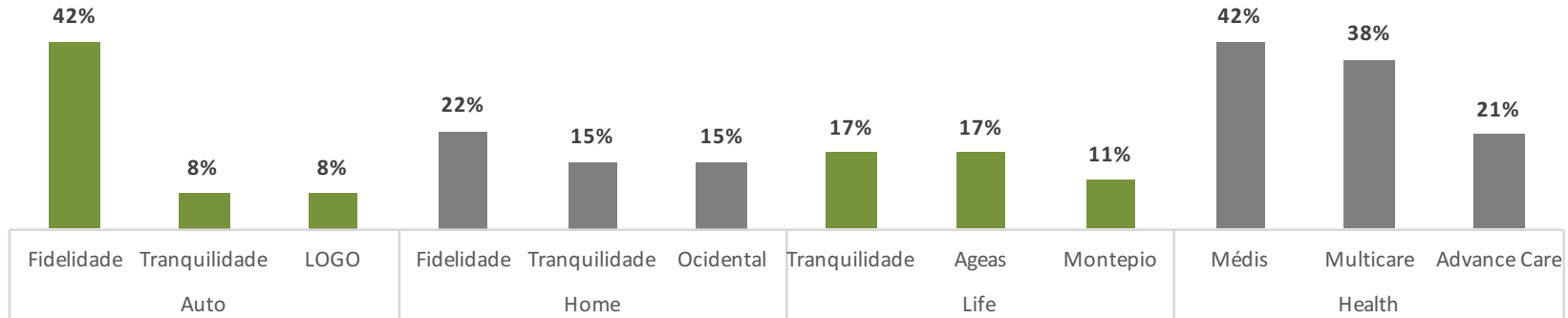
36 interviews



4. ANSWER – Point of Situation – Qualitative analysis (3/10)

In order to understand better how dispersed is the insurance market in Portugal, it was asked to the interviewees their insurance company per type of insurance.

Major Insurers per type of insurance

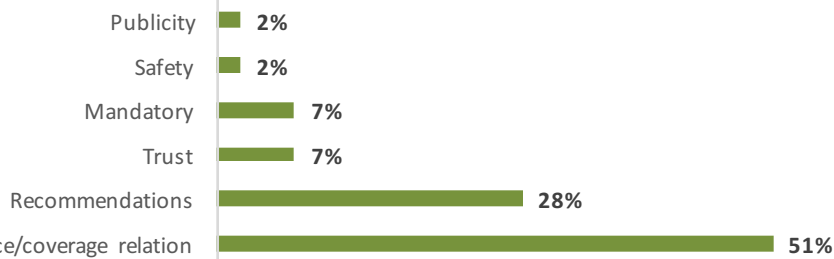


- For both Auto and Home Insurance, Fidelidade was the company that exhibited a higher choice rating, followed, in both cases, by Tranquilidade;
- In what concerns Life Insurance, Tranquilidade is the leading company, according to our questionnaire;
- Last but not least, Médis is the company that stands out in the Health insurance sector.

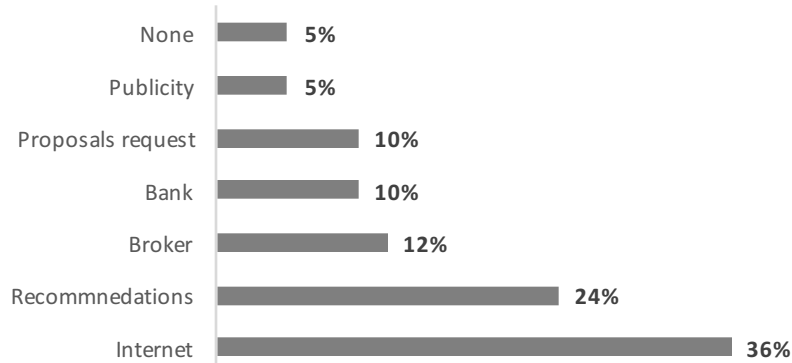
4. ANSWER – Point of Situation – Qualitative analysis (4/10)

The most important criteria when choosing an insurance company is based on the relationship between price and coverage, being the internet the main channel used when researching about these insurers.

Criteria for choosing insurer



Channels used to research about insurers



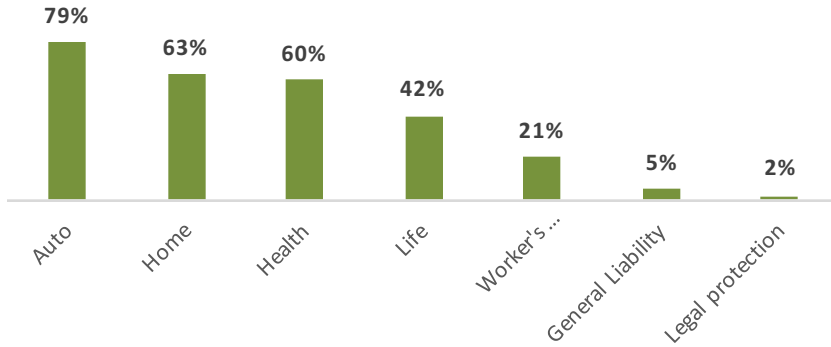
Hypothesis

- Price/coverage relationship proved to be the criteria with the largest impact when deciding among insurers. Customers value the existence of promotions and discounts on the product to be purchased.
- Secondly, but not least important, recommendations from friends and family are also an important criteria for potential customers.
- Sample's rate of satisfaction with current insurance company is 7,2 out of 10.
- The research channel most used by individuals when searching about insurers was the internet, namely the insurers' websites.
- The online communication of "+ Tranquilo" might generate a positive impact in acquiring new customers as well as in the in-house customers adhesion.

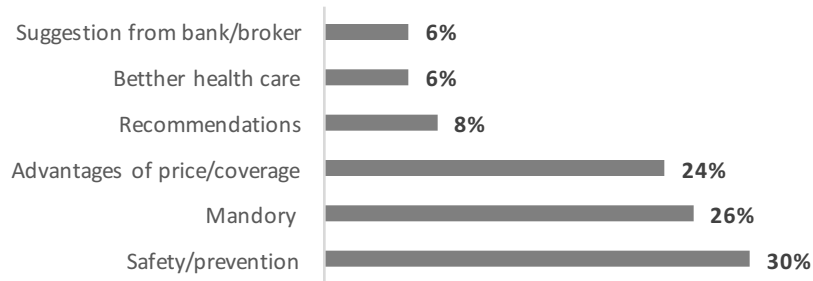
4. ANSWER – Point of Situation – Qualitative analysis (5/10)

As expected, Auto, Home, Health and Life Insurance are the four major types of insurance held by the interviewees, with the ultimate goal of safety/prevention. Nevertheless, it is important to highlight that almost a quarter of the sample holds worker's compensation insurance.

Interviewee's insurance products



Why did you decide to buy your insurance?



Hypothesis

- Auto, Home, Health and Life insurance are the respondents' most chosen insurance products.
- The main reasons that justify the need for purchasing those products are: 1. for the client's own safety and prevention; and 2. the mandatory traits of some products (Auto insurance and home insurance in the presence of a loan) as well as advantages in terms of price and coverage.
- When purchasing a non-mandatory insurance, recommendations from friends and family proved to be one of the main decisive factors on the final decision.

4. ANSWER – Point of Situation – Qualitative analysis (6/10)

There is a clear difference in the amount and type of insurance that respondents with children hold, when compared to childless interviewees.



Interviewees with children

- 74% of the respondents with children have Home insurance;
- 69% of the respondents with kids have Health insurance;
- Roughly 46% of the interviewees who have children have Life insurance;
- The average number of insurance products held by individuals with children is 2,88.



Interviewees without children



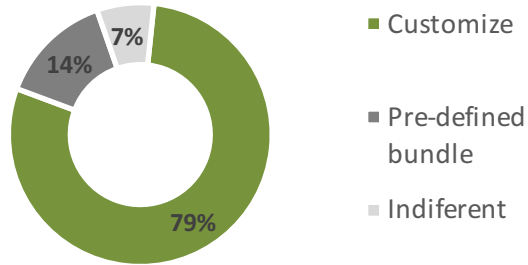
- 14% of the respondents without kids have Home insurance
- 29% of the respondents without children have Health insurance;
- 29% of the respondents without children have Life insurance;
- The average number of insurance products held by individuals with children is 1,43.

Note: On average, individuals with children buy more 1,4 insurance products than childless individuals (being these, mainly, Home, Health and Life);

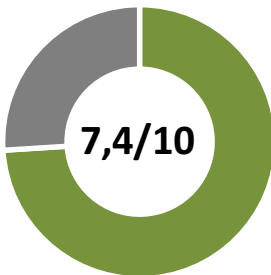
4. ANSWER – Point of Situation – Qualitative analysis (7/10)

After introducing the idea of “+ Tranquilo”, the interviewees rated the product at 7,4 out of 10. However, 79% of the sample argued in favour of designing the product themselves, rather than choosing a pre-defined package designed by the Insurance company .

Preferable approach



Bundle relevance



Hypothesis

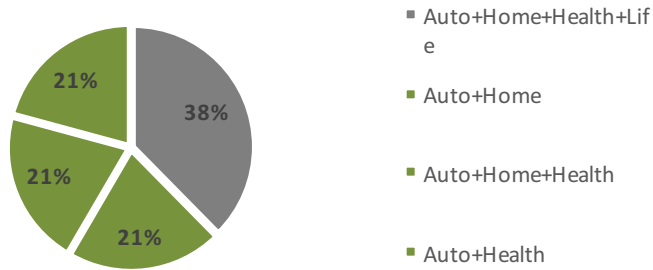
- The customer values the existence of an insurance package product, such as the “+ Tranquilo”;
- The market exhibits potential for the development of the product;
- The customer values the fact that does not have to change of insurer to purchase the package, something that turns out to be quite negative when trying to acquire new customers;
- As recommendations from friends and family are important, there is a clear concern of individuals with the brand image of insurers at the time of purchase;
- On the one hand, 14% of the respondents prefer the existence of a pre-defined package developed by the insurer. From these:
 - 67% had only mandory insurance, with no intention of subscribing for more products. For these clientes, the existence of the Auto+Home package is predictable, which does not justify the necessity of developing other packages;
 - 33% argued that pre-defined packages make the purchase process faster and easier (just like in telecommunications);
- On the other hand, 79% of the interviewees would prefer to customize themselves the package, which goes line with the need of customers of feeling their specific needs particularly addressed .

4. ANSWER – Point of Situation – Qualitative analysis (8/10)

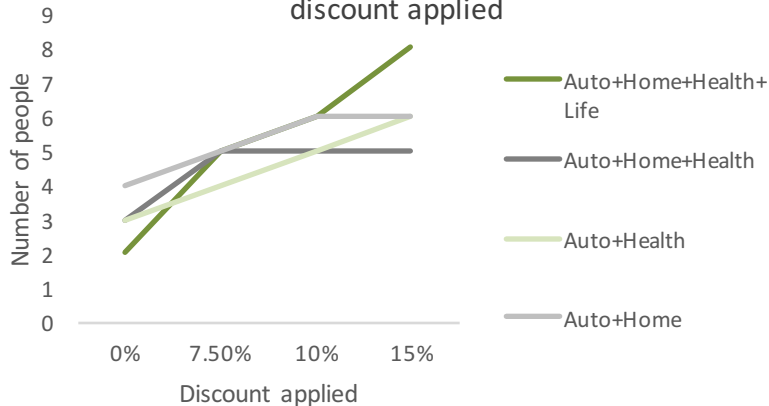
It is clear the impact that the discount factor has on the evolution of the interest in “+ Tranquilo”. More specifically, individuals with four different products are the ones that exhibit the highest hype in interest, when the first discount factor is introduced.

Hypothesis

Current interviewee’s insurance combination



Evolution of the interest in bundle depending on discount applied

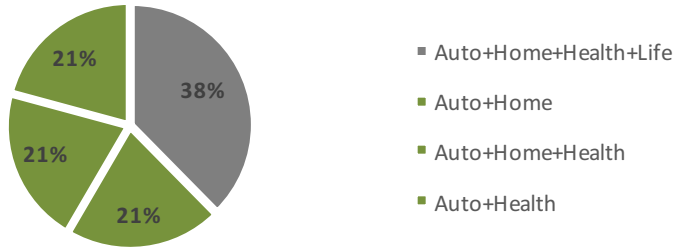


- For those individuals that hold two or four insurance products, as the discount applied increases, the interest in subscribing in an insurance package increases. This influence is more prevalent in individuals with 4 insurance products, which exhibit an average of 68% in growth throughout the three levels of discount. These are followed by the respondents that hold Auto+Health;
- From those that would be interested in “+ Tranquilo” without a discount (28%), the easiness of the procedures – every policy in the same insurer (58%) and single payment option (42%) were the two main advantages pointed out.
- For those that do not have any interest in purchasing such product, the fact that they do not trust the same insurer for different products, as well as the hard and painful work of changing of insurer (specially for those that hold fewer products – incentive is lower) were seen as the main disadvantages of “+Tranquilo”.

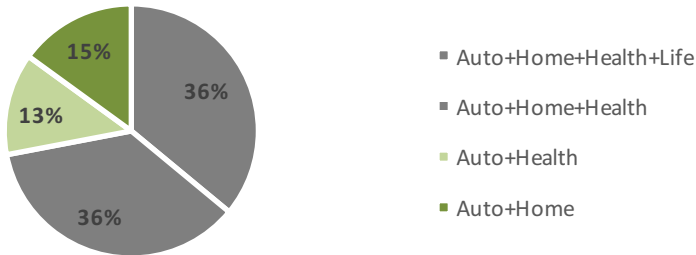
4. ANSWER – Point of Situation – Qualitative analysis (9/10)

Through the qualitative questionnaire, it was developed an interesting hypothesis to be tested further: the existence of “+ Tranquilo” might affect positively the purchasing behaviour of individuals

Current interviewee’s insurance combination



Desired interviewee’s insurance combination



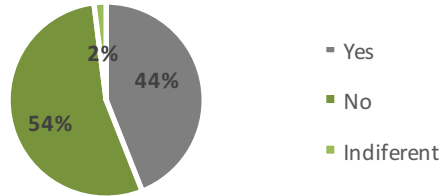
Hypothesis

- Currently, 42% of the sample holds just two insurance products, compared to 28% when “+Tranquilo” is offered. As such, it is evident the role this product has on the growth of the individuals’ insurance portfolio, namely in the Auto+Home+Health package. That is, in a certain way, the sample is more receptive to increase the number of insurance products to three when “+Tranquilo” idea is introduced.
- However, it is important to highlight the assumption behind this comparison. If the interviewee has Auto+Home and finds the Auto+Home+Health package attractive for him, then it was assumed that this person has the financial ability to engage in the purchase of this extra insurance (in this case, health). This assumption is crucial for this project, as it completely erases the ideal factor of desire, making it more realistic.

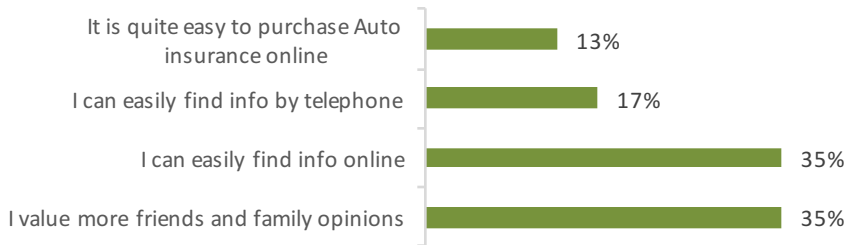
4. ANSWER – Point of Situation – Qualitative analysis (10/10)

The percentage of individuals that would require the services of a broker to subscribe to this product is slightly inferior to those that would choose to do it online or by telephone.

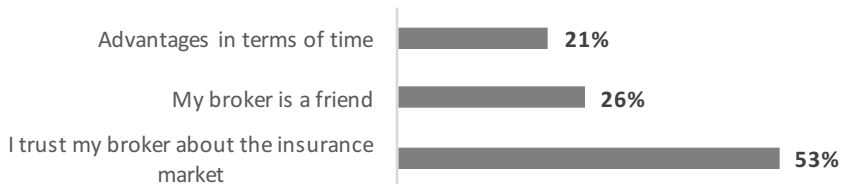
Interest in Broker



Why won't you be interested in a broker?



Why will you be interested in a broker?



Hypothesis

- Through the questionnaire, it was found that 54% of the interviewees would not want to benefit from the services of a broker, when purchasing this new product.
- This actually seems quite surprising, as in Tranquildiade, almost 90% of customers that buy insurance use an intermediary, probably because they trust in the broker's knowledge about insurance (as it was comproved in our questionnaire);
- The easiness of purchasing insurance online, as well as friends and family recommendations, were the main reasons behind this self-taught approach.
- This may be in line with the current technological change that is happening in the world insurance market nowadays, which increasingly converges to the extinction of the broker's position.

4. ANSWER – Qualitative analysis - Conclusions

As a conclusion, the qualitative questionnaire was able to provide important concepts for the group to elaborate on further, specially about the market receptivity to “+ Tranquilo”.

Deepen knowledge about the Portuguese insurance market

The qualitative questionnaire proved to be an effective way of understanding the basic lines of the insurance world. Specifically, it helped clarify what kind of insurance products Portuguese people usually purchase, as well as the criteria and channels they use when selecting the insurer; furthermore, it enlightened the need for insurance in the first place, something crucial to understand prior to the development of a complex product such as the Triple Play.

Customer's first reaction to the Triple Play

As this was an open questionnaire, this was a good opportunity to test the market reaction to this new complex product. Despite being categorized as a relevant and useful product, the existence of a discount increased exponentially the interest in it. Also, individuals prefer to benefit from a larger degree of autonomy if they purchase this product, by being able to customize it to their own needs.

Influence of personal traits of customers on the buying behavior

The quantitative questionnaire helped forming a crucial hypothesis to be tested further: the possibility of increasing the client's insurance portfolio, as there is, undoubtedly, a shift on the number of insurance products per person, when the Triple Play idea is presented. Last but not least, the broker's services were neglected by more than a half of the sample, which is probably in line with the increasing degree of autonomy the customer currently seeks, as well as with the already mentioned technology transformation this sector is being targeted off.

Have vs want

The effect of the existence of children on the purchasing behavior of individuals was another pinpoint addressed by the questionnaire. Based on our sample, individuals with children tend to exhibit a higher number of insurance products, when compared to childless individuals.

4. ANSWER – Market Observation (1/4)

Still to be able to build the main Survey, an observation process was conducted. The observation process lasted one week, during which several exclusive (just serve one brand) and non-exclusive (multi-brand) brokers from Tranquilidade and Açoreana were visited, with the purpose of registering both the customers and brokers' attitude on the selling process.

Method

- Direct observation of purchasing behaviour of customers, as well as broker's attitude on the selling process.
- Elaboration of small questionnaire to collect broker's opinion of the bundle to be offered;
- Open questionnaire, with the intent of having a clear vision of what "field agentes" might advise/suggest to the product.

Exploração

Objective

Build a solid base of knowledge, as well as strengthen the product, for the final quantitative questionnaire;

Characteristics

Observation process made in two areas: Lisbon (Amadora, Massamá, Mem Martins, Rio de Mouro, Cascais, Oeiras, Odivelas, Bobadela, Portela, Algés, Avenida da Liberdade, Praça de Londres e Almada) and Alentejo (Évora, Vidigueira e Beja). The choice of these areas was based on the economic and behavioural differences that both exhibit (interior vs coastline)

Results

Hypothesis to be tested further

Usefulness

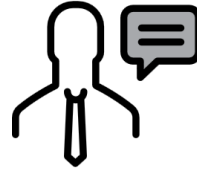
Better the approach to the quantitative questionnaire

4. ANSWER – Market Observation (2/4)

The aim of observing and interviewing brokers, as well as the customers' behavior, was to find interesting and possible hypothesis to be included in the quantitative questionnaire.



Client's buying behaviour (demand, purchase, necessities, profile).



Behaviour and broker's role on the sale (Ex.: Cross-selling, relationship with client)



Most wanted insurance products, as well as the coverages per type of client.



Overall problems brokers find in the insurancemarket as well as their proposed solutions.



Products and/or services suggested by brokers.



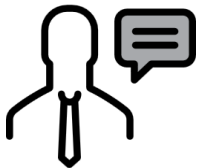
Brokers' advices on how insurers could generate *leads or prospects*.

4. ANSWER – Market Observation (3/4)

Clients nowadays seem to be more informed due to the exposure and easiness of access to the internet. Nevertheless, the broker's help still has a determinant role on the moment of purchase, as well as in the resolution of conflicts.



Client's buying
behaviour
(demand, purchase,
necessities, profile).



Behaviour and broker's role
on the sale (Ex.: Cross-
selling, relationship with
client)

Hypothesis

- Clients are much more informed about the insurance and products, as a result of the access to the internet.
 - Customers tend to pay closer attention to the price, being much more demanding and objective.
 - Customers have a wider range of interests, which leads to the necessity of increasing customization of products;
 - Insurance products that exhibit higher demand are still the ones mandatory by law.
-
- Broker's role is very important in the moment of purchase;
 - They have a crucial role in the establishment of a trustworthy relationship between the client and the insurer.
 - Last but not least, broker's reveal a very persuasive attitude, which allows them to more easily engage in cross selling, as well as, to sell more easily newly issued products.

4. ANSWER – Market Observation (4/4)

Brokers focus their advices on strengthen their relationship with the clients, as they believe they are the decisive factor when a selling opportunity exists.



Overall problems brokers find in the insurance market as well as their proposed solutions.



Products and/or services suggested by brokers.



Brokers' advices on how insurers could generate *leads* or *prospects*.

Hypothesis

Overall problems brokers find in the insurance market, as well as their proposed solutions:

- Limited offer for senior clients (+65);
- Necessity of improving processes, namely abolish postmen – slowly and costly.
- Delay in payment of claim settlements and resolution of conflicts;
- Quality of service has decreased. Increase investmtnet in broker's training.
- Infrequent contact between insurer and client;
- Lack of clarity and knowledge of individuals interested in insurance products, which makes the purchasing process less eficiente.

Products and/or services suggested by brokers:

- Camera insurance, pet insurance;
- Life insurance premium leveled;

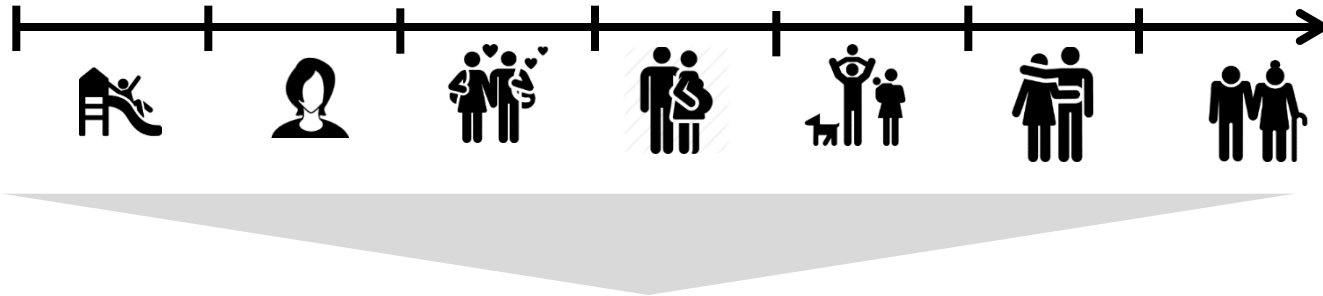
Brokers' advices on how insurers could generate *leads* or *prospects*.

- Immediate contact between insurer and cliente when cliente engages in a simulation;
- Development of a radio, television or newspapers campaign, complemented by the generation of na internet buzz;
- Exhibit broker's mobile phone on the insurer's website;
- In case the cliente enters in default, forward that specific client to the respective broker.

4. ANSWER – Market Observation - Conclusions

The type of insurance products demanded and bought by customers depend on their life stage at the moment of the purchase.

CLIENT'S LIFE STAGE



Personalization

75% of brokers mentioned that the existence of an insurance package to be offered would only make sense if it would be developed to target the specific needs of each client. In other words, if the customer feels he is enjoying a product tailored to its own needs.

Positive relationship

The most important conclusion regards the positive relationship that exists between the needs a client has in terms of type of insurance products and the life stage he currently is in (as for an example, if he lives alone, if he lives with a partner, if he plans to have kids, etc).

4. ANSWER – Focus Group (1/3)

A small final step before the Survey, the Focus Group intends to be a way of understanding how value can be added to this product, besides the discount factor. In other words, it is an effective and interesting way of reaching the differentiating factor of “+Tranquilo”.

Method

- Pre-recruitment questionnaire to divide people between low-risk and high-risk profiles;
- Gather chosen individuals in a room for discussion, having one facilitator that guides the discussion, one observer and two individuals registering behaviours, attitudes and responses;
- Discussion around three major topics: initial “setting the mood” questions to break the ice; identification of the respondents necessities in terms of insurance products; suggestion of additional services desired.

Content

Objective

To find ideas for extra services to add to the Triple play – try to find ways of garnishing the product besides the discount factor;

Characteristics

Group **of 8 people assembled** to participate in a discussion about the Triple Play product during an hour.

Results

Hypothesis to be tested further

Usefulness

Development of creative and out-of-box ideas to embellish the product.

4. ANSWER – Focus Group (2/3)

The Focus Group intends to be a way of understanding how value can be added to this product, besides the discount factor. In other words, it is an effective and interesting way of reaching the differentiating factor of “+Tranquilo”.

Hypothesis

- The pre-recruitment questionnaire is a tool used for improving the candidate screening. In this case, it is basically a series of questions^[1] that helps learning more about the candidates, prior to the focus group. However, its main goal is to become a “first cut” tool to screen out candidates that do not fit in the required description. As for an example, if the pre-recruitment questionnaire was not made, there would be a chance of having just low-risk people in the discussion.
- A focus group is a brainstorm session that organizations do to gather information about customer perspectives and opinions on new ideas, products or services either being offered or in the product development stage. It entails an interactive discussion between participants, who will answer to open and free questions. In this case, the participants were required to answer a series of questions, so as to reach possible extra-services to add to the Triple Play idea. Initially, they were asked a bad and good experience with insurance companies, followed by suggestions on how to deal with those situations. Afterwards, there was a small debate about ways of simplifying insurance policies, which led to the introduction of the Triple Play idea. Lastly, it was asked how did they feel about it and what kind of additional benefits could a product like this offer to its customers



[1] Information about the pre-recruitment questionnaire on appendix section

4. ANSWER – Focus Group - Conclusions

As a conclusion, the focus group was able to provide important concepts for the group to elaborate on further, specially two additional services: the “rede de Gestores +” and the simplified terms and conditions document.

Customer’s real perception about insurance experiences

It was clear that people do not perceive insurance as a typical purchasing experience. They find it complicated, a problem, an obligation, which makes very difficult for insurers to change their perception in the market. There is a clear need of simplifying procedures, of making the customers’ understand the real need for insurance, which might be achievable through the Triple Play.

Simplified terms and conditions

In line with the problems and bad experiences mentioned, the focus group proposed the existence of an interactive document that acts as a summary of the technical features of the policy at stake: coverage, deductible amount, grace period, among others. This would be a document placed within the mobile app or the customer’s online portal.

Favorable perception of the Triple Play

The debate about the Triple Play idea converged into two main benefits: the discount component that it could offer and the way it might simplify all the bureaucracies and hard work that usually insurance carries, namely converging all the policies in just one insurer, with a common receipt.

Rede de Gestores +

Last but not least, the major conclusion of the focus group was the development of the so-called “Rede de Gestores +”. This is an extra-benefit that would come along with the subscription of the Triple Play and would provide the policy holder with an insurance manager, that will be held responsible for managing the client’s insurance package. This would entail a more direct and customized relationship with the client as this manager would be reachable 24/7 for any doubts, concerns or suggestions. Both these additional benefits will be elaborated further.

4. ANSWER - BENCHMARK

It was also conducted an international benchmark regarding the concept of insurance package, to realize which procedures are adopted in other markets. In fact, there is already some adherence to the concept of packet multi-products by international insurers, mainly in the markets, British and Spanish. The Spanish market is, given the behavior of consumer purchase of insurance, very similar to the portuguese one.

ABANCA



The Abanca launched an insurance pack “Tarifa Plana”, in January 2016. The director general of ABANCA, Alvaro García Diéguez, appreciates the extraordinary reaction of customers in little more than two months, which ultimately led to the success of this product. The CEO, Francisco Boots, highlighted that the ABANCA became the insurance company with a higher rate of growth in Spain (216.93%), ascending to the seventh tour as a Bank/insurance company, responsible for 2.02 percent of the market share Spanish, in the year of release of the product.

The insurance packages are generated by the combination of self, HAB, Life, Health, FUNERARIA, with annual discount and by next year (retention). There is a permission to postpone two monthly payments without charging interest.

The marketing agencies in Abanca generated a growth of 45% in revenues due to the growth of 35% of the new production of flat fee. Being the insurance company with a higher rate of growth in Spain (216.93%). 9 in every 10 consumers recommend the product to friends. 92% believe that covers their real needs. 89% of consumers of the product highlights the mutual benefit it provides to the bank and customer.

NATIONWIDE



The Insurance Company Authentic offers combinations of three Insurance (Self, HAB, LIFE), with 25% discount for the customer. The payments are monthly, without costs of breaking up. There is a campaign Family, where individuals who live in the same household can take advantage of the same discount (inserted in the same package of insurance). The campaign Go Paperless is for customers whose process only works online (referring to receipts, financial data and data related to their insurance).

STATEFARM



The American insurer has revolutionized the concept of insurance packages to allow the customer to add the insurance that you want your insurance package, acquiring an extra discount as you adding one more product to your portfolio. It also includes custom insurance as insurance for musical instrument or to the mobile phone.

A

Situation

B

Complication

C

Question

D

Answer

D.2

Extra benefits

4. ANSWER– EXTRA BENEFITS (1/16)

+ Tranquilo aims to deliver an additional value to the client, something that will help it to differentiate from competing products. As such, some extra benefits and services will be developed, exclusively for this product.

Objective

It is proposed to + Tranquilo to follow a product differentiation strategy (besides price), by delivering + Valor to the client. It intends to be positioned as a product that adds value to customers through its quality and features that target their current unsatisfied needs. This being said, some additional services/benefits, exdusives of + Tranquilo, will be developed, so as to deliver this + Valor to both the customers and the insurer, as well as, slightly hold off the product from the discount component

Message

These additional benefits will be based on the focus group suggestions and the quantitative questionnaire regarding the product's main advantages, the bad insurance experiences of customers and finally Svgwrwv

B2C

For the consumer, All together now means his family in just one package, his insurance products in just one insurer and his safety in just one step. The key points of the product are centralization, flexibility and simplicity.



Family



Insurance



Safety

B2C

For the broker, All together now, means cooperation and relationship que aims to add value, between brokers and brokers, brokers and the insurer and, at last, the insurer and the customer. Here the key points are Cooperation, value and relationship.



Brokers



Clients

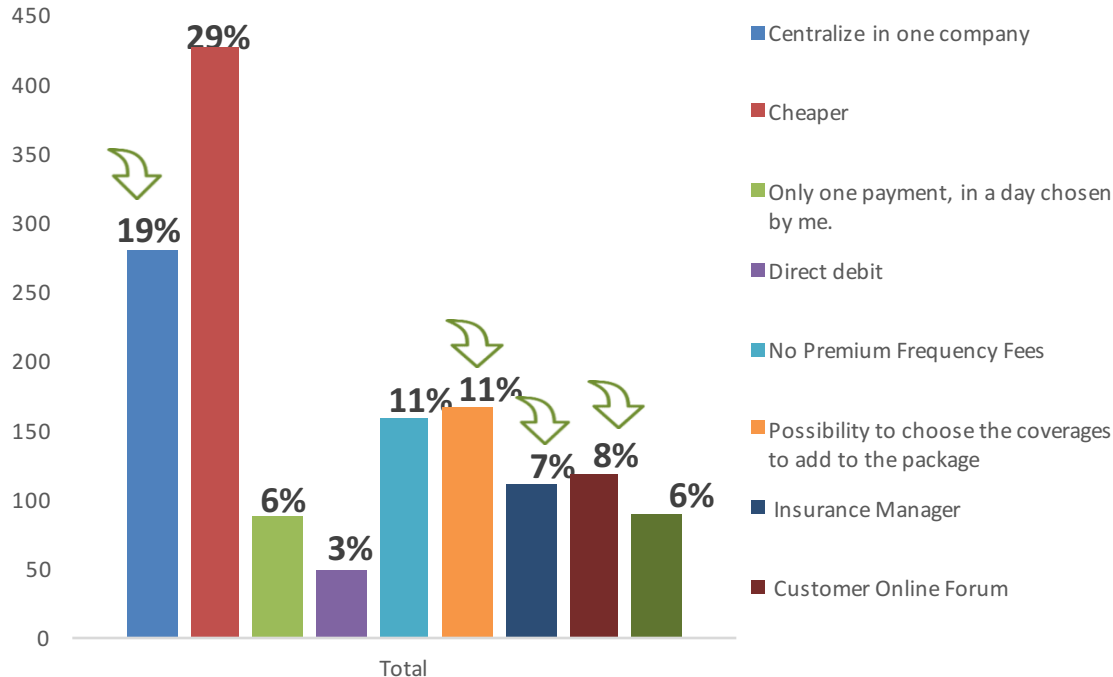


Tranquidade

4. ANSWER– EXTRA BENEFITS (2/16)

Despite of being the most acknowledged benefit by the respondents, there are other benefits besides the discount component valued by the interviewed sample. These will act as the basis for the development of the extra benefits exclusive for clients of the +Tranquilo package.

What are the benefits that you enjoy the most in this product? – N° of people

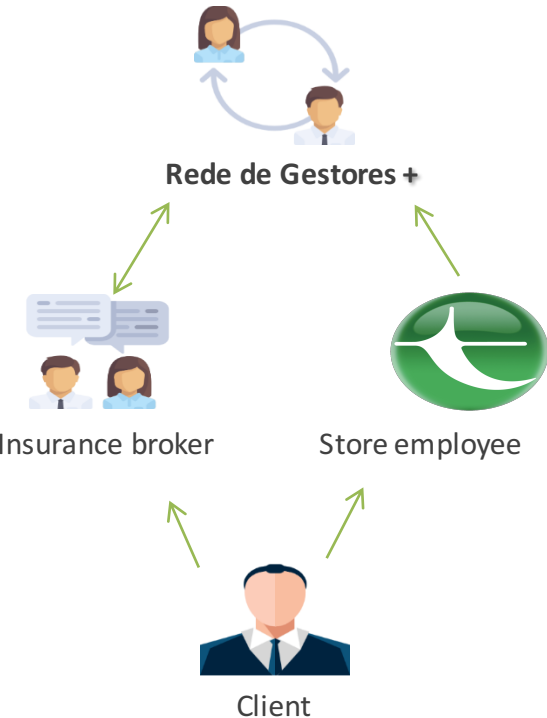


Outcome:

- The most recognized advantaged is the discount;
- However, this is followed by centralizing everything in the same company.
- The customer also values the flexibility in the choice of the insurance and respective coverages, as well as the existence of no premium frequency fees;
- The existence of an insurance manager (Gestor +) and an online customer portal are also desired services.

4. ANSWER– EXTRA BENEFITS (3/16)

One of the main features of **+ Tranquilo** will be the existence of an insurance manager (the so called **Rede Gestor +**) personified by the broker responsible for the sale of the package.



Rede de Gestores +

Definition

The **Rede Gestores +** is a group of brokers in charge of satisfying the needs of a **+ Tranquilo** customer. This idea was formed in the focus group (when individuals were requested to generate ideas that with facilitate, simplify and support their insurance experience) and tested in the quantitative questionnaire. The real function of a manager within this grid is similar to the actual broker's functions, but adapted to the **+ Tranquilo** product.

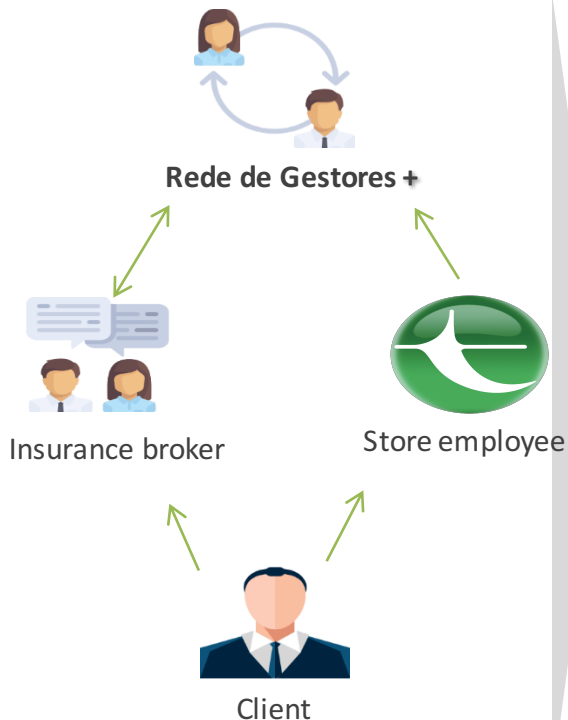
Process

When a customers is purchasing an insurance package, he will be forward to the **Rede de Gestores +**. This grid will be held responsible for the management of the insurance products included in the customer package. The grid and the customer will have direct and live contact through Tranquilidade's mobile app, which will allow for a more personal and attentive relationship with the customer.

This product will be graded semi-annually by the client and awarded according to that grade. This will give room for improvement for brokers, as feedback is essential in a service like this. As such, **Rede de Gestores +** is a strategy that also intends to promote the cooperation between brokers. Each one designs/selects his own grid, sharing his responsibilities with other brokers, allowing for a greater flexibility and quality of service

4. ANSWER– EXTRA BENEFITS (4/16)

Rede de Gestores + is a service with benefits and advantages for the Client, Insurance Agent and the Company.



Rede de Gestores +

Advantages for the Brokers and Company

Through the performance evaluation made by customers, Tranquilidade will also be able to measure how well did the broker do during that semester. As such, if his performance, measured by Tranquilidade, is excellent, then that broker will be awarded a prize.

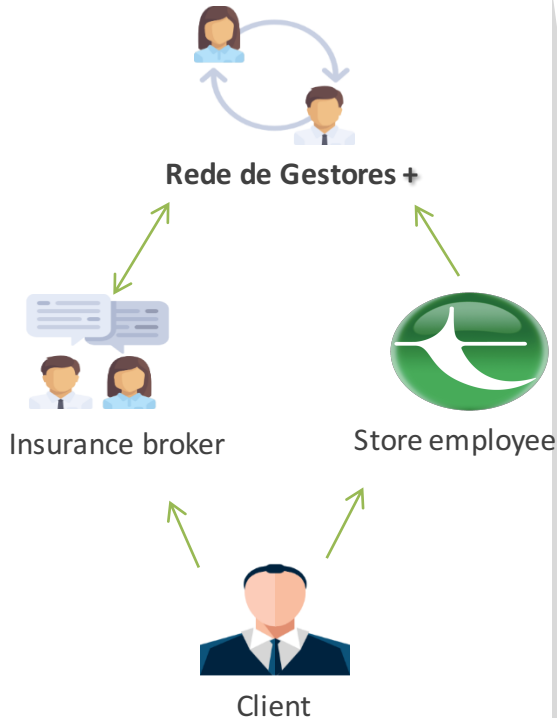
This process will be a way to centralize the client on the same mediator, who is also a form of mind encourage membership of the mediators to the new product. In the case of the Mediator to organize its own network of managers, this will also contribute to greater cooperation between them.

Advantages for the Client

The existence of Rede de Gestores+ will facilitate contact between the mediator and the customer. Rede de Gestores +will be responsible for a rapid response to the needs or concerns that may arise from the customer, either by phone, in person, email or live Rede de Gestores + also receive leads from simulations made by their customers through the app/ portal, and must respond quickly to these requests with the aim of making the insurance. For the performance of several mediators as Gestores+is based on a service of excellence, it will receive an evaluation on the part of customers and consequent premium, in the case of this is excellent.

4. ANSWER– EXTRA BENEFITS (5/16)

When you buy a package multi-product, is assigned to the customer to its Rede de Gestores +. This is subject to a six-monthly review by the customer, which is performed through the app. This will have an impact on the performance of the Insurance Agents, as they may receive a premium if the assessment is excellent. The goal is to provide the customer with a service of excellence.



Rede de Gestores +

Process

1. The customer buys the insurance package:
 1. directly to a mediator.
 2. through an employee of the Store.
2. After purchasing the package multi-product, is assigned a network of managers to the customer:
 1. The Mediator who sold the package to the customer accepts the client on your network of Managers
 2. The Official Souvenir directs the customer to the network of managers from your Store3. The customer evaluates your network managers in every six months (month 6 month 12) through your account on the application and/or customer portal. After two ratings, the customer is asked if you keep your network of managers (who remains or is modified by the will of its customer). In the case of be modified, the customer is allocated to the network of managers close to the area of residence indicated by the customer, with a good rating.
3. Being that the network of managers is only evaluated at the end of a period of one year (month 12), the same is subject to two ratings, which gives you the opportunity to correct any category that has been assigned with a lower ranking. Only the own network of managers have access to their own assessment and development. Every year there is a network of managers awarded as the network of the year - only this is the knowledge of the community of mediators.

4. ANSWER– EXTRA BENEFITS (6/16)

The evaluation of *Rede de Gestores +* will be based on ten different questions (average answer time of two minutes), scored between 1 and 5. This evaluation method is similar to the one applied the service provider, allowing for a fair and goal-driven evaluation.

The semi-annual evaluation will be based on the average of the sum of the points awarded to each one of the fields evaluated by the customers.



Evaluation Framework	1	2	3	4	5
My <i>Rede de Gestores +</i> explained me the products, coverages, extra benefits in detail.					
My <i>Rede de Gestores +</i> taught me how to use thh mobile app and online customer portal specifically for the + Tranquilo product.					
When I contact my <i>Rede de Gestores +</i> through the LiveChat tool, I get an answer within a reasonable period of time.					
My <i>Rede de Gestores +</i> solves any problem that I mention within a reasonable time frame.					
I feel that my <i>Rede de Gestores +</i> solves my problems in a satisfying way					
My <i>Rede de Gestores +</i> addresses me properly with suggestions for my insurance package					
I feel that the suggestions advised by my broker are in line with my necessities;					
My <i>Rede de Gestores +</i> remembers me properly about upcoming premium payments deadlines;					
My <i>Rede de Gestores +</i> is, usually, available for clarifying some douts/thoughts I might have (by phone or in person);					
I feel that my <i>Rede de Gestores +</i> has done, overall, a good job.					

1 – Totally Agree
 5 – Totally Disagree

4. ANSWER– EXTRA BENEFITS (7/16)

The performance incentive plan designed for the brokers is based on the sale of + *Tranquilo* packages, as well as in the evaluations of customers regarding the quality of service delivered by their *Rede of Gestores +*. As such, there will be an incentive for increasing the amount each broker sells of packages, and, simultaneously, for delivering premium quality service.

Campaign of Incentives¹

> 20 Auto + Home	100€
> 15 Auto + Health	150€
> 13 Auto+ Home + Saúde	175€
> 13 Auto + Home + Life	175€
> 8 Auto+ Home + Health + Life	250€

Campaign of Incentives

★	-	
★★	-	
★★★	-	
★★★★	300€	
★★★★★	500€	

Evaluation and Prizes

Insurance broker ans Store Employees

In order to increase even more the likelihood of brokers joining this product, there will be also developed a campaign called **Campanha +**: in the first two months, each broker will receive five euros per package + *Tranquilo* sold. In the following ten months,

Subsequently, and during the remaining ten months from the first year of pilot testing, the mediators and employees in the shop will be rewarded at the end of the year in accordance with the number of packets that have sold over the ten months prior. After the first year pilot, the award is made every six months, in the same proportion of number of packets sold/premium per package.

Rede de Gestores+

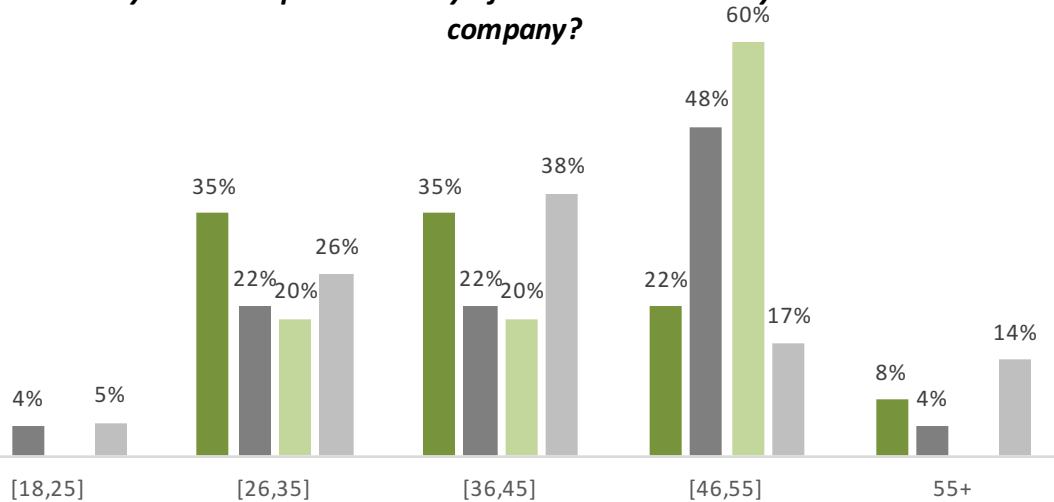
During the first year of pilot testing, Rede de Gestores + will be awarded at the end of the year in accordance with the assessment assigned to the service of the network (average of the evaluation of their clients; only four and five stars are rewarded) after the first pilot year, the award will be twice a year, in the same proportion of premium per evaluation (four/five stars) - an average of two evaluations every six months.

¹This campaign iis based on the current campaign for other products and the predicted sales of the new product

4. ANSWER– EXTRA BENEFITS (8/16)

So as to generate extra value for customers, it was conducted an analysis to understand fully the roots of customers' problems. The delay in the payment of claims settlements and resolution of conflicts were the two sources of dissatisfaction exhibited by customers, mainly due to communication problems between client and insurer.

Did you ever experienced any of these situations in your insurance company?



- Late reply for the car accident (many brokers and/or problems in communicate with the company).
- I got confuse about the coverages (I didn't read the insurance document because it was to long).
- Lack of plainness in the car accident resolution and insurance's process.
- Delay in the payment of compensation.

Outcome

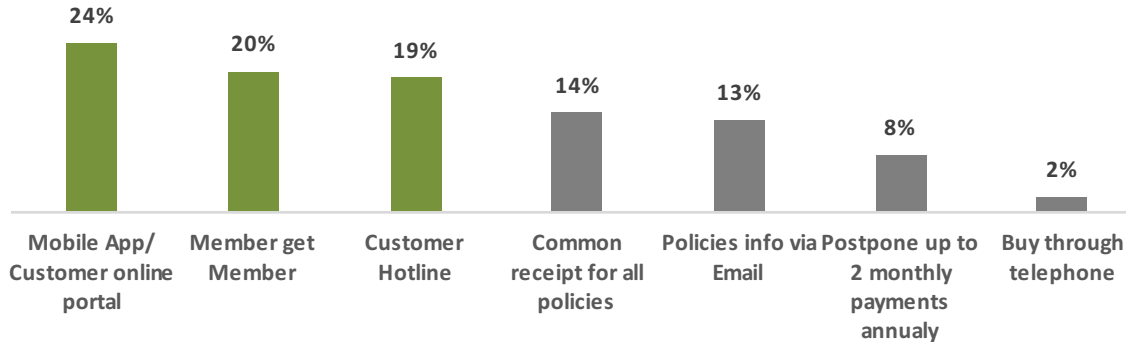
- The most frequent problem is the delay in paying the claims settlements;
- Resolution of conflicts by the insurer, namely dealing with, for example, car accidents, is also another aspect to take into consideration.

Will the launch of a mobile app be able to deal more efficiently with both problems?

4. ANSWER– EXTRA BENEFITS (9/16)

In fact, through the quantitative questionnaire, it was possible to see that almost a quarter of the sample reveal interest in a mobile app/customer online portal. This being said, this will also be another service that clients of + *Tranquilo* will be able to enjoy from.

Choose three situations you would like to enjoy from your insurance company- %

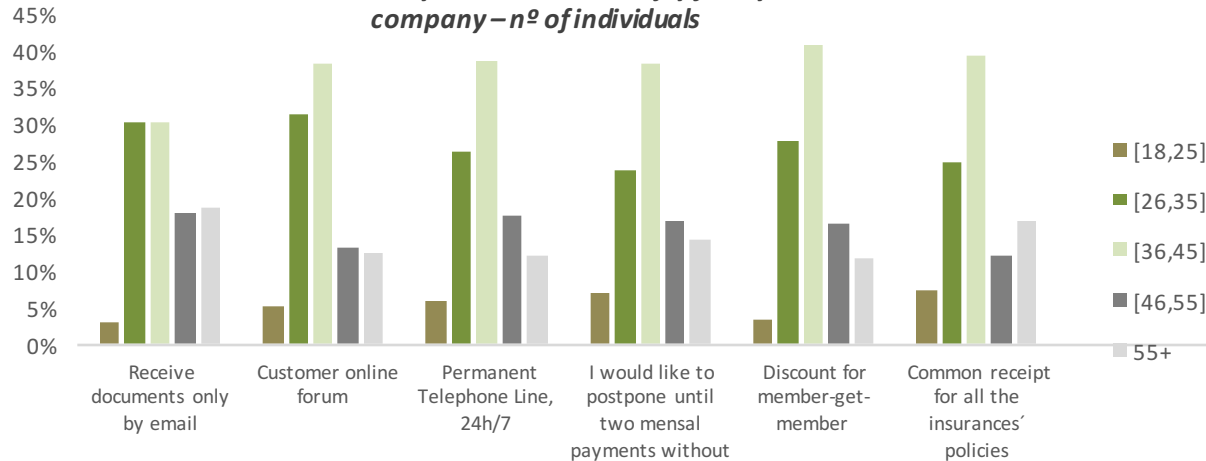


Outcome

The most desirable service is the mobile app/customer online portal, followed by the 24/7 hot line for clients.

What will agree with the previous question in which customers have complained about the delay in resolution of claims that may involve the communication difficulty with the insurer. The segment of age from 18 to 30 emphasizes access to common receipt more appreciated the discount received by recommendation of a friend.

Choose three situations you would like to enjoy from your insurance company – n° of individuals



These conclusions justify the development of:

- Launch of the mobile app
- Launch of a 24/7 chat available in the app and customer portal;
- Launch of the member-get-member proposal;

4. ANSWER– EXTRA BENEFITS (9/16)

This way, the application will be essential for the success of the multi-product packages, as it will allow the client to manage his/her insurance package at any place and at any time, having also access to determined exclusive services. The app may be associated with the Facebook account for better personalization.

Functionalities

My + Tranquilo package: Where the client can check the status of his/her insurances – receipts, contractual conditions, coverages (presented in a simplified way) and other exclusive activities for + Tranquilo package.

Sinister: Where the client can fill up the information about the sinister, take pictures and send them directly to the insurance manager/to the company (with the goal of avoiding friendly declarations and ease the sinister solution).

Assistance: For exemple, in the case of an Automobile sinister, the client may call the tow, share his/her location by GPS. In the case of a Residence sinister the client may call a doctor to the residence, if he/she has a health insurance.

Partners: The client is able to locate mediators, repair offices, rent-a-car and doctors. (It allows the creation of a favorite partners list, make comments about the partners and evaluate them. The client can also suggest new partners).

Notifications: The client may follow the latest novelties through notifications, and receive payment warnings.

Live Chat: To clarify any doubts in real time.

Rede de Gestores+: Usage of telephonic contact and email for a quick contact with the manager.

Tranquilidade has launced an app on May 16th 2017. For that reason, the mentioned functionalities are only the ones which are different from the current ones. The exclusive functionalities for + Tranquilo clients are: “O meu pacote + Live Chat + Tranquilo e Rede de Gestores+” (on bold).



4. ANSWER– EXTRA BENEFITS (10/16)

For the multi-product package clients. “A minha conta” will refer to specific and exclusive services for these clients, ensuring the good functioning, utilization and dynamism of the package.



Functionalities

Os meus
seguros e
serviços

Interactive document simplified with coverages, exclusions, premiums, grace periods. This document is sent by the company automatically to the client’s app.

Pagamentos

Deadlines; Payments made and to settle; bank data direct debit (with the possibility of changing the data)

Seguros
disponíveis

Shows available insurance options (ranked according to the client’s profile). The client may perform a simulation, which forwards directly a lead to the Manager.

Novidades

New services and insurances, current promotions.


Promoções

4. ANSWER – EXTRA BENEFITS (11/16)

In the menu related with his/her + Tranquilo package, the client may verify **which are the inclusions and capital of his/her insurances + Tranquilo, in a practical and succinct way (Focus Group)**, the payments to settle, novelties or promotions to include in his/her package, among other characteristics.




Functionalities

 The client may manage his/her package by simulating which insurances he/she would like to include in the package through the app. He/she will only need to select the intended insurance (as well as its circumstances – temporary/definitive, who is taking the insurance, payment method, (...)). The insurance Manager will receive a lead with the actualization and will update the insurance/package.




Push Notification:

The app will conjugate the GPS location and the client's data to suggest and alert the client for the need of acquiring a new insurance (which might be temporary or definitive). In the case of the client recognizing the necessity, he/she may add the insurances to his/her package. Once again, the Manager will receive a lead with the simulation made by the client.

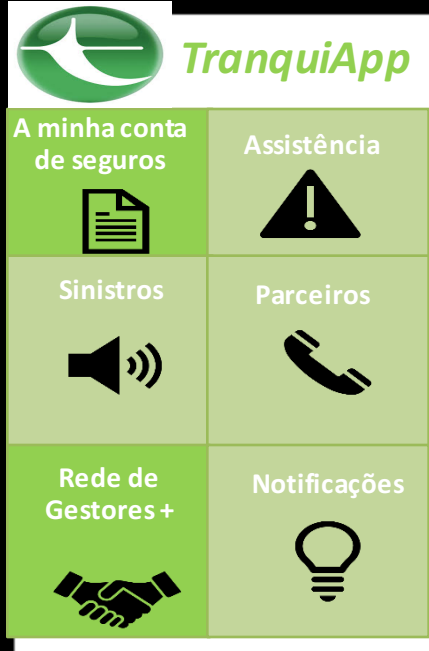
 **ATTENTION:** You are coming close to an area with high probability of snow fall in the next hours” Add the temporary extension to your car insurance which will allow you to prevent possible damage to your vehicle!

 **ATTENTION:** Mariana, are you thinking about forming a family? Add to your + Tranquilo package your Health insurance that will allow you to avoid any cost with your pregnancy.




 **Member-get-member:** The client might register the data of a friend who adhered to the package. After the data is confirmed by Tranquilidade, the client receives a 5% discount in the first year.

4. ANSWER– EXTRA BENEFITS (12/16)

Although the application is accessible to all Tranquilidade clients, **only the clients with package will have dynamic functionalities**, such as the **possibility of adding insurances online**, through the application, which also will remind the client to the real needs to identified by him/her.



Functionalities

-  **Information** relative to the Manager +. Telephonic contact and email for a quick contact with the Manager.
-  **Live Chat** to clarify doubts and have direct contact with the Manager.
-  **Evaluation** (the client evaluates the insurance Manager). Only available twice a year, in July and December.

Mail

Email exchanged between the Manager and the client.

Requests

Requests that the client leaves registered for the Manager to verify (and vice-versa)

Suggestions

Suggestions/Complaints that the client can register for service/product improvement.

Complaints

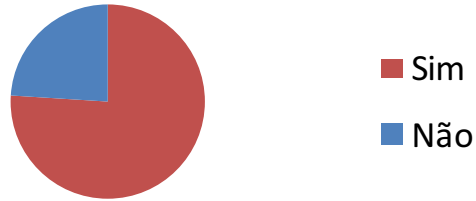
URGENT

Urgent Requests/Messages that the client wants the Manager to check quickly (and vice-versa).

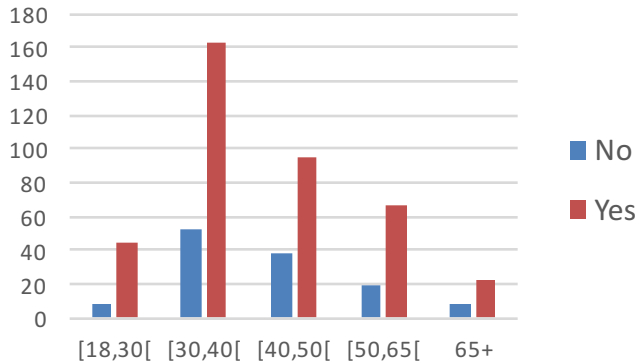
4. ANSWER– EXTRA BENEFITS (13/16)

Through the Application, the + Tranquilo clients will have a **page which will allow them to communicate directly with their Manager, either by email or on real time (Life chat)**, being also able to register suggestions, complaints, requests, urgent notes and, on every six months, to evaluate his/her Manager.

Would you like to get this product? %



Would you like to get this product? Nr of clients



Outcome

76% of the sample proved to be interested in reversing part of the premium for a social cause in the case of not having participated in any car accident. You will be offered the chance of customer support a social cause, by choosing one of two institutions provided by the Company. This service is exclusive to customers pacotizados, who will donate part of your annual premium car when they do not have any claim reported. This service aims to promote an image friendly and careful of the mark, , combining Tranquilidade to social causes, increasing Brand Awareness.

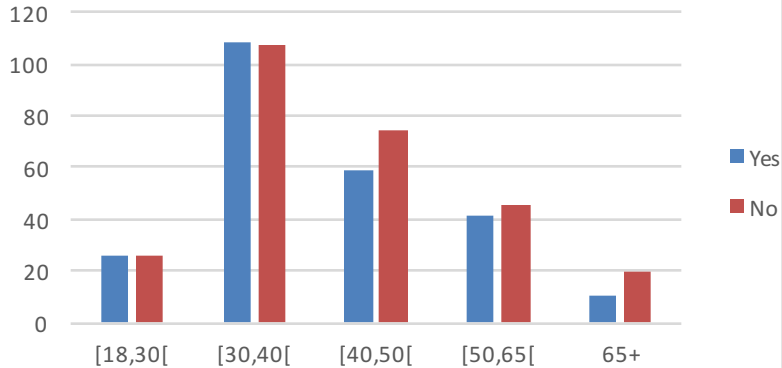
Process

If the customer does not participate in any claim, regardless of the have had or not, part of your annual premium (1%) will be donated to an institution. The institution in question can be chosen by the client, with 2 possible hypotheses. These are Associação Portuguesa de Familias numerosas and the Associação Portuguesa de Pessoas com Deficiência. The choice of organizations was based on the impact that they could cause the client: positive emotions (associated with affection, family protection - Associação Portuguesa de Familias numerosas), and negative emotions (associated with the fear and need for prevention, to avoid the tragedy - Associação Portuguesa de Pessoas com Deficiência)

4. ANSWER– EXTRA BENEFITS (14/16)

Another added benefit for customers is the connection between their insurance and two social institutions. This service aims to instill in the customer a positive feeling associated with your insurance package and your company.

Would you like to have this product? (Nº of people)



Characteristics

This functionality can be used for different types of products, exception being: life and health. The “Gestor +” – manager of the package – will be responsible for managing it, as this is an exclusive service for someone with the package. The product will be launched for Auto only, for coverage options that are not Third party risks. This pilot is a test for other products.

Outcome

47% of the sample has shown interested in the temporary insurance.

Despite the percentage is not bigger than 50%, it is consider to be enough market for this functionality – most of the ones that selected this products are users with extra cars with no frequent usage or that had insured products where the usage is for specific periods smaller than a year. It will be launched a temporary insurance for auto, that will work as a pilor for others products. **This product will work as a drive for differentiation in the market.**

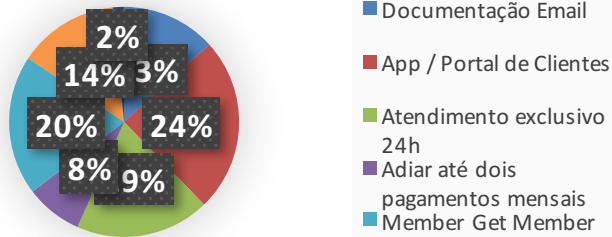
Process

The temporary insurance is a feature that the customer can trigger in your insurance, choosing the days on which you want this to be operational. This period of use is defined at the time of accession to insurance, and is not subject to change until the date of expiry of the same set in his moment of purchase. Tranquilidade is not responsible for accidents that occur outside the period covered by the insurance. The price of insurance is calculated by the days on which it is operational.

4. ANSWER– EXTRA BENEFITS (15/16)

According to the Survey conducted, there is the opportunity to implement a new product in the market, a **temporary insurance**. This one will be used as a point of differentiation for the brand, relative to its competitors, and as an exclusive benefit for + Tranquilo’s consumers.

Identify until 3 situations that you would like seeing happening in your company - %



Outcome:

The Service Member get Member was one of the three most selected by respondents when confronted with the three situations which I would like to see applied on your insurance company. Thus, this service will be applied to customers +Tranquilo: allocation of 5% discount on annual premium package, for each friend insured. There is a maximum of 1 friend per year. This product will allow the company to benefit from the network of consumers acquire new customers. Maximizes the opportunity that exists in the stocking recommendation of friends be a trigger in the purchase of insurance (slide XXX). Tranquilidade will also benefit from Word-of-mouth. It will also be an incentive for the customer to use the mobile application (required for the validation of the service).

Process

This discount is only assigned if the current customer enter the details of your friend, through the mobile app, and the company finds that this has indeed become a client of the packages. This requirement prevents possible "misunderstanding on the part of the mediators".

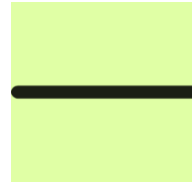
4. ANSWER– EXTRA BENEFITS (16/16)

These Extra benefits came up as the solution for the problems the interviewed people affirmed to had once experienced while managing their insurance issues. Furthermore, and according to the industry evolution, these solutions also match fundamental points that are crucial to invest in order for the company to outperform.

¹According to a study “InsurTech: A golden opportunity for insurers to innovate (Pwc), 2016”, Consumers are less satisfied with their experience digital insurer than with any other industry.



Quality of the Network is a key point of differentiation. The Member-Get-Member will take advantage of the network of customer contacts to increase the number of clients to adhere to the new product.



Customers looking for simplicity and tangibility. Rede de Gestores+ will promote the simplicity of use and operation of the new product.



Innovation: differentiation and tangible benefits. The temporary insurance is a product differentiator and with direct benefits for the customer.



Customers seek a closer relationship with your insurer. Rede de Gestores + intend to improve and promote the relationship between consumers and the mediators and, consequently, with the company.



Digitization of operations is fundamental to remain competitive. The mobile application will promote the digital experience of the client.

A

Situation

B

Complication

C

Question

D

Answer

D.3

Communication

A

Situation

B

Complication

C

Question

D

Answer

D.4

Communication

4. ANSWER– COMUNICATION

Another important point in the launch of this product is the way that is communicated in the market. Considering that the product aims to deliver value to each client, with a personalised solution for the different needs in the market, the insurance package has to be communicated in a way that each client identify himself with the product that was desgined to satisfy his needs.

Method

+Tranquilo will be communicated in two different ways: one in general communication of the product, which aims to allow the customers to know the advantages and the concept associated with it. The second is a personalised communication that will target the different client segments for the specific insurance packages.

Personalised Communication

Personalised and aimed to each client segment, sponsoring the specific insurance packages associated to the different segments. The existence of two matrix will make the selling process easier for the insurance agents and the perception of each of the matrix is more suitable to your interests and financial capacity.

Generalized Communication

Centered in the concept and values associated with +Tranquilos. Centered in the product associated advantages based on the main message.

Message

→ The message to communicate the new product will have as a base the concept and value of ***All Together Now***.

B2C

For the consumer, All Together Now means your family in one package only, your insurance in one company and your safety in one action.

B2B

For the insurance agent, All Together Now means cooperation, a relation that promotes value creation between agents and agents, companies and the company and the client. .

A

Situation

B

Complication

C

Question

D

Answer

D.4.1

Communication B2B

4. ANSWER– COMUNICACION: B2B

Considering the Sales of the +Tranquilo through the insurance agents, a good B2B communication is fundamental for the success of the packages. In order to do so, it will be explained how the matrix works and the way the packages must be communicated to the client.

Message: All Together Now

It is important in this B2B communication to transmit the concepts and base values through which this new package was developed.

All together now:

- **Agents & Agents** (through the Rede de Gestores +)
- **Company & Client** (because it is a product that is centered in the identified needs of the client, that aims security, convenience, simplicity and personalisation)
- **Company & Agents** (the product makes the selling process easier to the agent. Considering that the product delivers solutions to the client, it is expected to reach a loyal client. Beyond this, with a +Tranquilo package, “it’s time to clean! One client to each one, with loyal clients attributed to one Rede de Gestores +. There is also a promotion from agent to Manager of the network (Gestor +): the agent who sells and manage a product or service, generating + value to the customer, the company and himself.



Matrix and Sales Process

The matrix to be communicated to the agents will be the matrix with prices vs age segment: Gold and Silver. The agent will have this matrix available to consult and understand which is the best package for each cliente according to his interests (price vs safety) and financial power.

Steps to communicate to the agent:

1. It’s important to understand what the clients values the most: if he wishes a package with more affordable prices or more coverage options. By this way the agent will know which matrix should use to guide the sales process: an affordable price will be presented in the Silver offer while more coverage options will be available in the gold.
2. According with the age group of the client, the agent should consult the available packages for him.
3. The agent should say the advantages that the client will benefit from signing in the package.
4. Afterwards, the agent should simulate in order to calculate the exact price of the package.

4. ANSWER– COMUNICATION: B2B

A way to attract the agents to sell the packages and to explain in detail the process, it will be organized an interactive training with informative content. This training has the goal to promote the base values of the new product – cooperation, relation and value, as well as all the sales process and product features.

Communication channel – Interactive training

As a way to communicate the product and its message, it will be organized a training session for the agents that are the best sellers, regular producers, and also a commercial team, so that the last ones can share the package and the remaining characteristics to the other agents. The training “All together now” that will happen during the weekend in hotels in the center, south and north for the agents in that region. In this training, besides explaining the packages, its functionalities and the role of the manager +, it will be organized one team building session to promote the introduction of the values in the working methods of the agents.

Team building:

1. The agents are split in groups of 10 people
2. There will be presented movies of 13 individuals, example of clients, which will represent a buying conversation and interest in the package + Tranquilo. The agent’s job will be to guess which packages correspond to each person. These individuals can also present some unpleasant situation with the insurance companies and the agents will have to figure out a solution, assuming they are representing the network “Rede de Gestores +” to that client, in order to promote cooperation and the quality of the deliverables from the network). Each session, the winning team will gain a dinner for 2 in three restaurants at their will (with partner restaurant). At the end, there will be explained the match that should exist between clients and sold packages.

Distributions of informative tables with the explanation of the packages (also distributed through the commercials for other agents)

Communication channel - Email

It will be sent an email to every agent with an explanation of the new concept and product, its characteristics, functionalities and advantages, as well as the details regarding the functionality, evaluation and prizes at Rede de Gestores +.

A

Situation

B

Complication

C

Question

D

Answer

D.4.2

Communication B2C

4. ANSWER– PERSONALIZED COMUNICATION

Both matrix allow the agent to adapt his sales to the interests/ financial availability of the client. At the same time, the client will be able to focus his research directly to the coverage options that are more suitable to his interests and make this process more efficient and personal.

[26, 35[

Regardless of the chosen matrix, for the first segment of clients, personalized communication will be in the life stage of this segment, where individuals face a set of recent changes in their lives – new home, possibility of buying a car, building a family, entering the job market.

- *Do you have until 50€ per month to invest in your safety? Tranquilidade offers you a package solution that will allow you to assure your car and health starting in 37€. Trust us your products*

[36, 45[

For the segment [36-45[years old, personalized communication is targeting the family core, the growth of the family and the growing responsibilities that come from this.

- *Your family doesn't stop growing? Don't allow that your concerns grow as well and bundle all your safety at Tranquilidade! Live "+ Tranquilo" e benefit from the advantages from our superior insurance package. Flexibility, Safety, Simplicity and savings. Starting at 43€/month.*

[46, 55[

For the consumers with ages between [46,55[years old, the message will focus on the transition to a life at two again, after their kids independence, with more financial power and focus on the couple "Arrumar a vida".

- *Are your kids leaving the nest and your life seems more organizada and clean? Tranquilidade helps you cleaning your insurance too! Get them together at Tranquilidade and benefit from the advantages associated to a client + Tranquilo.*

+55

For the clients with more than 55 years old, it will be communicated the economics advantages (and others) from an insurance package to the age of retire.

- *Are you planning to make some small changes in your life? Change your insurance at Tranquilidade and life a +Tranquila retire! Trust us all your products and the bundles we have available for you in our package offer, starting from 20€ per month, with all the advantages associated.*

4. ANSWER– PERSONALIZED COMMUNICATION

Personalised communication will be done through Tranquilidade’s website, in order to appeal to product visualisation. Also, in the searching phase, it will be suggested to the client a possibility to be contacted from a Gestor + to help you deciding which is the best package.

Website Access

The client enters the website of Tranquilidade and is faced with a + Tranquilo advertisement.

Filling the data

The client has an incentive to add his data so that he can be contacted from the agent that will help him with his choice.

Developing a lead

The company sends a lead to the client’s agent (identified through NIF) or to the network “Rede Gestores +” that is nearest the client. The network has a deadline of two days to answer the lead, in case it doesn’t, the lead is forward to a different network.

Alocação à Rede de Gestores +

From the moment on the agents accepts the lead, his network gets responsible for this client. The network takes care of the client’s buying process and advises him to use the app, so he can have a better and more personalized service.

Your family doesn't stop growing? Don't allow your concerns to grow as well and get together all the safety at Tranquilidade! Live + Tranquilo and benefit from the advantages of our insurance package! Flexibility, safety, simplicity and savings. Starting on 43€ per month.

All together now!

Get your insurance together and receive until 10%

QUER ESTAR SEMPRE BEM ACOMPANHADO?

SEJA CONTACTADO POR UM PROFISSIONAL SEM COMPROMISSO

Insira o seu nome*

Nº Telefone* Email*

NIF* Código Postal*

* Campos Obrigatórios

Dou o meu consentimento para tratamento dos dados pessoais e ações de marketing

Seja um Cliente +, e receba +!

Não dispense a consulta de informação pré-contratual e contratual igualmente exigida. Um produto de Seguros Unilife, S.A.

4. ANSWER– PERSONALIZED COMMUNICATION

Still focusing on the buying cycle searching period of the client, and as a support to the agents, the website will have a section explaining of the product + Tranquilo, with functionalities of the packages, coverage options and prices.

The screenshot shows a web browser at the URL <https://www.tranquilidade.pt>. The website header includes the Tranquilidade logo and a navigation menu with options: Institucional, Particulares (highlighted), Empresas, Sinistros, and Contactos. A 'PRECISA DE AJUDA?' button is also visible. The main content area features a section for the '+ Tranquilo' package, which is highlighted with a green box. Below this, there are four service tiles: 'Faça a sua Simulação', 'Resolva o seu Sinistro', 'Veja Onde Estamos', and 'Contacte-nos'.

Package + Tranquilo

Benefit from new services with no additional cost:

- Rede Gestor +: You can benefit from a personalized management network (Gestores +) to get a permanent support. Live chat: Descarregue a app móvel ou acesse ao portal de clientes para ter um contacto permanente com o seu Gestor +.

Contribute to a social cause:

You have the opportunity to donate a small part of your premium without paying more. You can contribute for the success of one of the following organizations: Associação de famílias numerosas e Associação Portuguesa de deficientes motores.

Get a discount if you bring a friend that wants the package:

Through the app, register a friend who bought the package and get 5% annual discount.

If you only use your car in a certain period, pay less for your insurance:

- Possibility to activate and pay for coverage options only for a period of time (except against third parties).

Know exactly how to save with your + Tranquilo package:

- Get a discount for bundling your insurances:
 - If you add 2 products get a discount of 5%.
 - If you add 3 products get a discount of 7.5%.
 - If you add 4 products get a discount of 10%.

Faça a sua Simulação
Escolha o(s) seguro(s) que pretende subscrever e simule o seu prémio.

Resolva o seu Sinistro
Participe o seu sinistro. Marque a Peritagem e siga a sua evolução.

Veja Onde Estamos
Conheça a nossa rede de lojas. Saiba onde nos pode encontrar perto de si.

Contacte-nos
Dê-nos a conhecer as suas questões. Ajude-nos a esclarecer as suas dúvidas.

4. ANSWER– PERSONALIZED COMMUNICATION

The consumer has the option to choose his package and to know the price “starting from” to pay for it, considering his age.

← → ↻ Secure | https://www.tranquilidade.pt

TRANQUILIDADE Institucional Particulares Empresas Sinistros Contactos PRECISA DE AJUDA?

+ Tranquilo – Escolha o seu pacote

A + H A + S A + H + S A + H + V A + H + S + V

Idade: 40 Desde 50 €

Seja contactado por um profissional, sem compromisso, para que possa prosseguir com a sua compra:

Insira o seu nome:

Nº de telefone: Email:

Nif: Código Postal:

Faça a sua Simulação
Escolha o(s) seguro(s) que pretende subscrever e simule o seu prémio.

Resolva o seu Sinistro
Participe o seu sinistro. Marque a Partagem e siga a sua evolução.

Veja Onde Estamos
Conheça a nossa rede de lojas. Saiba onde nos pode encontrar perto de si.

Contacte-nos
Dê-nos a conhecer as suas questões. Ajude-nos a esclarecer as suas dúvidas.

Client simulation process and lead generation for Rede de Gestores +

1. For a more detailed information about the price to pay for the wanted package, the consumer can decide the package he wants, and then he is notified with the minimum price to pay for that package.
2. After this, the client is advised to add his personal information so that it can be contacted afterwards by Gestor +, to receive professional guidance and proceed with the process.

4. ANSWER – GENERALIZED COMMUNICATION

The mission of this campaign is to position the packages as something simple, that meets customer needs and makes the customer journey easier.



MISSION

- Turn the client more concern about his safety, feeling that Tranquilidade could deliver the best product according to his needs. An insurance package, which could be for the all family, with the aim of simplicity, centralization and flexibility.
- Position Insurances as *Necessity and Safety* in the Maslow Piramide (change the client's brand attitude).
- Create more value for both the clients and the company.

SHORT RUN

Advertisement of the new product

Increase the number of new clientes.

Improve the brand image (more transparent and closest relationship with the client)

LONG RUN

Educate the actual customer, as well as the next generation of customers (brand attitude).

Increase the loyal clients.

Engagement and relationship with clients.

■ Main objectives

■ Secondary Objectives- consequence of the main ones.

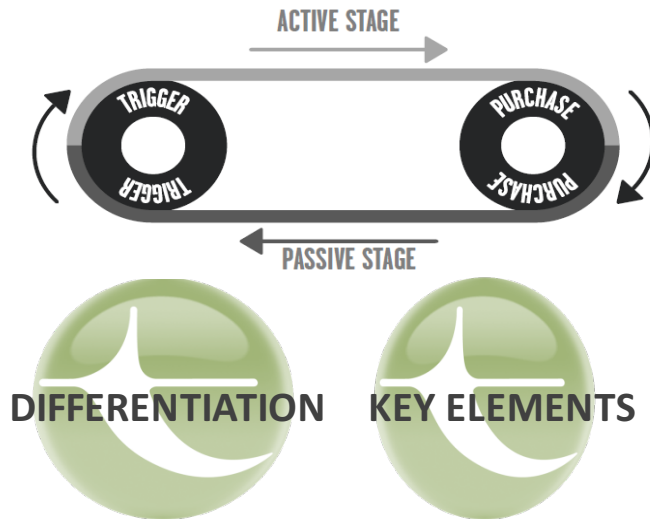
4. ANSWER – GENERALIZED COMMUNICATION

Is interesting to verify that there is an opportunity for Tranquilidade to invest in communication. The message to communicate should be informational but it should appeal to the customer's emotions at the same time. By doing this, Tranquilidade could differentiate itself from its competitors and improve its image.



COSTUMER'S PURCHASE CYCLE

The passive stage is the first step of the cycle, when costumers are constantly doing new opinions about different brands. More specifically, 48% of these costumers already have an idea of which product to buy, even before they initiate the purchase cycle. The Insurances' media is below this value, with 30% (1 out of 3).



OPORTUNITY

- Costumers with a low Passive Stage Bias normally evaluate more brands and therefore have more probability to compare prices and change to some competitor.
- The majority of costumers, in the begining, don't know which brand to choose.
- In order to create Passive Stage Bias its important to achieve differentiation-meaning that the costumers should associate certain elements to the brand through the company's communication.
- For an insurance's purchase, the clients decide in which company to buy, according to: 1st) Turnover of price-coverages, 2nd) Client support (servisse), Brand Heritage, ease of purchase, extra benefit, rescommendations and testimonials. These characterists are according to the mission designed.

4. ANSWER – GENERALIZED COMMUNICATION

One of the main objectives of the campaign is based to change the consumer' **brand attitude in relation to** the insurance's purchase. The communication should be focused on **emotion appealing**.



CHANGE BRAND ATTITUDE

What is brand attitude?

“It is the buyer’s evaluation of the brand with respect to its perceived ability to meet a *currently relevant motivation*.”
(Percy Elliot, 2016). *By this way*, if the motivation change, the attitude could change as well.

“What is the consumer’s attitude when buying an insurance?”

Being on the quadrante of informational strategy, with high involvement on the purchase phase, Tranquilidade is associated with *negative emotions*. This is due to its lack of capabilities in *avoiding future problems* and *na incomplete customer satisfaction*, who is searching for a better product (new product)

The vast majority of customers see Insurances as something mandatory and non desirable. This is a mindset that should be turned around with the introduction of the insurance package, as it will be easy to buy and will convey a feeling o trust and satisfaction to the Customer (since its characteristics will be defined to meet the needs of each customer’s segment). Therefore, the Communication plan was designed to:

1. Advertise the new product and benefits associated with it;
2. Foster the need of feeling protected of the Customer;
3. End with the price concept instated in the insurance market;
4. Persuade customers that this new product is the one that best fits their needs.

4. ANSWER – GENERALIZED COMMUNICATION

The A-B-E Model is a widely known method, in which the Communication gives special focus to the attributes of the new product, which, in turn, give emphasis to its benefits, triggering new and positive feelings in the Customer. Hence, it becomes possible to change its buying motivation..

METHOD A-B-E Model



Use the model a-b-e – using emotions:

Attribute (A): Characteristics of the product

1. Several Insurances in just one package
2. Higher quality and convenience

Benefits (B): What the Customer is searching for

3. Simplification in the buying and management process
4. Feel that the product meets his needs

Emotion (E): What the Customer is feeling – Go from a posture of insecurity to a safer and calmer posture

5. Customer satisfaction because not only the product is simpler but also meets the needs

TRANQUILIDADE?

**Reinforcement Theory/
Cognitive Learning**
LEARN – FEEL – DO

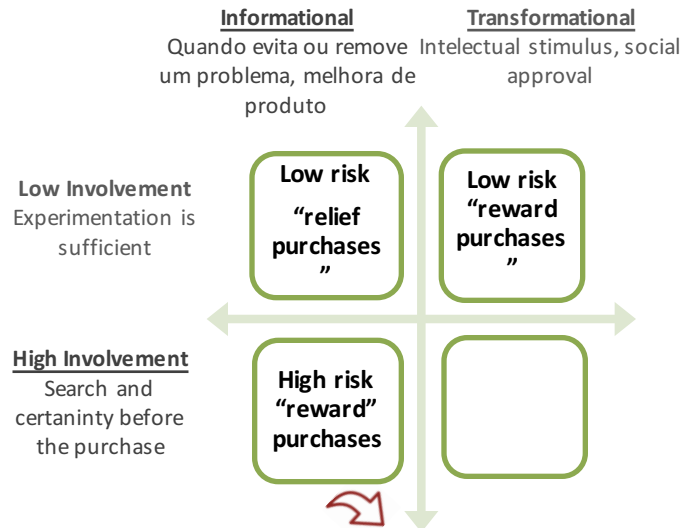
(belief, evaluation,
behavior)

4. ANSWER – GENERALIZED COMMUNICATION

The Communication strategy will be based on *emotional stimulus*, as this was very successful in prior campaigns. It will also be *informative*.



ROSSITER PERCY MOTIVATION MODEL



Give reasons: The audience must believe in the key point; Target doesn't have to like it

Ask only what is reasonable: Do not over or under claim; Comparative Advertising, if necessary; Use of an expert

OPPORTUNITY

- Communication models that appeal to emoticons have better sales results, when compared with models based on rational factors
- Buying na insurance requires high involvement, on the consumer's side, with the "relief" purpose. So, The logical Communication strategy to follow is an informational strategy, focused on the negative purchase motivations.

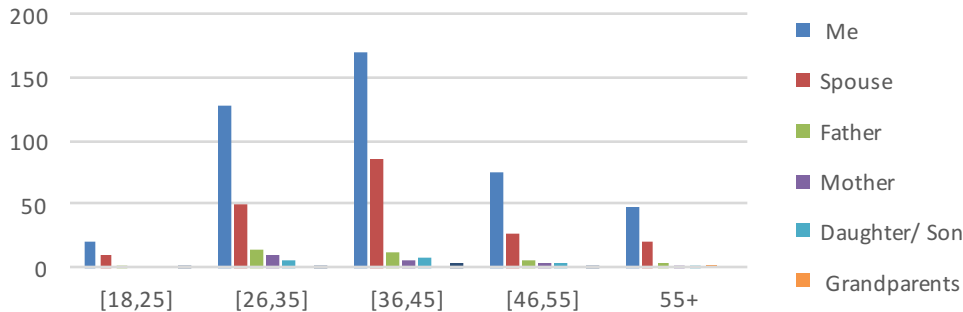


4. ANSWER – GENERALIZED COMMUNICATION

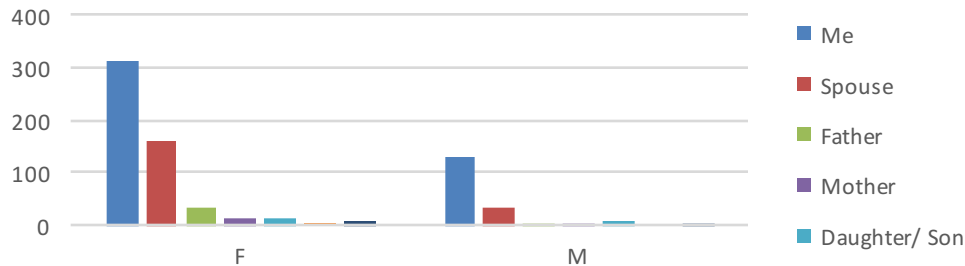
The Communication of the packages is aimed for the first interveniente in the buying process of the products – the *individual responsible for identifying the need of buying insurances*



Who identifies the need of buying Insurances (by Age Group)



Who identifies the need of buying Insurances (by Gender)



OUTCOME

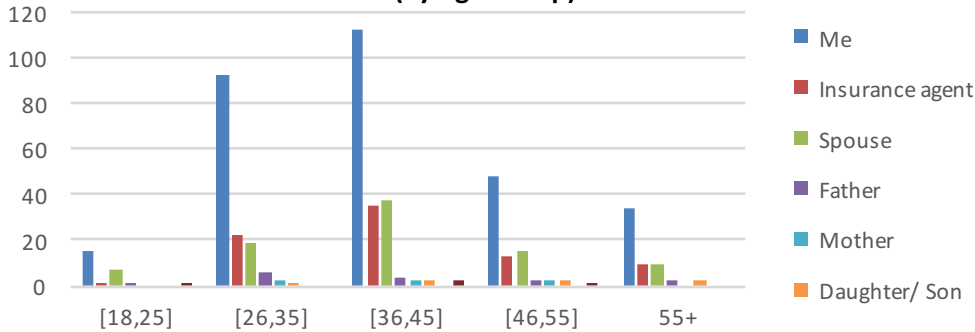
- The person responsible for buying Insurances is, for all age groups, who identifies the need of buying the products. If not, the respective partner is, generally, who identifies this need.
- The sample, as it was shown, is divided in the following way: 70% female and 30% male. For every product, the Analysis shows that there are **no differences** in gender on who identifies the need to buy an insurance.
- Having this said, the Communication strategy will be directed to the first interveniente in the buying process: the **person responsible** for the purchase, followed by the respective **partner**.

4. ANSWER – GENERALIZED COMMUNICATION

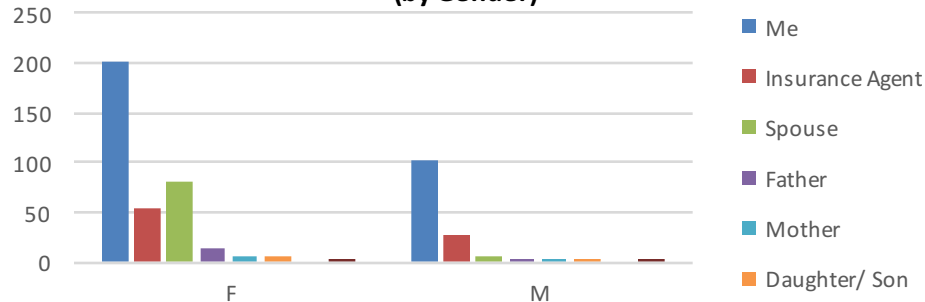
By communicating the new product to the first interveniente in the buying process, Tranquilidade is also targeting the second interveniente in the process, *the responsible for doing the research and gathering information* so that a buying decision can be made.



Who does the research and gathers information?
(by Age Group)



Who does the research and gathers information?
(by Gender)



OUTCOME

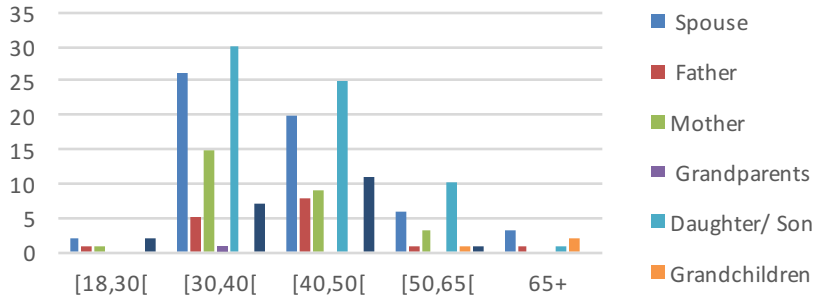
- The Analysis shows that the person who does the research and gathers information concerning the products is usually the one who buys the insurance. If not, the partner is, generally, the one responsible for it.
- It is also interesting to notice that, if the one responsible for buying Insurances is male, he also delegates to himself the research process. On the contrary, the data shows that the female segment generally delegates the research process to their respective partner, which was not verified in the male segment. Both segments delegate, in equal proportions, this task to the broker.
- Therefore, the Communication will also be aimed to the second intervenient in the buying process (the one doing the research and gathering information). In his case, this individual splits into three major segments: the one responsible for the purchase, its spouse and the broker.

4. ANSWER – GENERALIZED COMMUNICATION

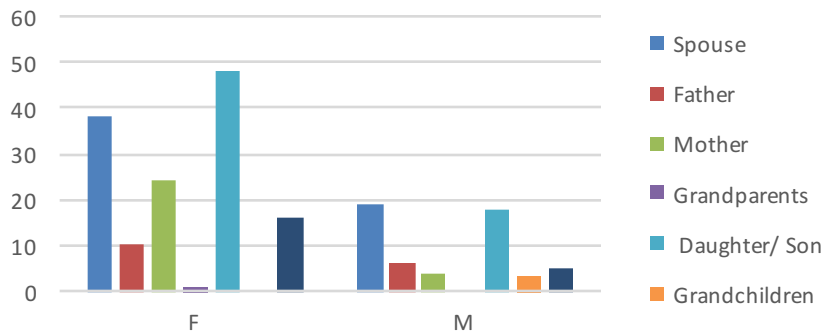
The Age Group with higher income is usually responsible for buying insurance for their children, partner and parents. This reveals the importance of a Communication strategy focused on Health Insurances (mandatory or not) aligned with protection incentive.



Are you responsible for buying insurance or other people? (by Age Group)



Are you responsible for buying insurance or other people? (by Gender)

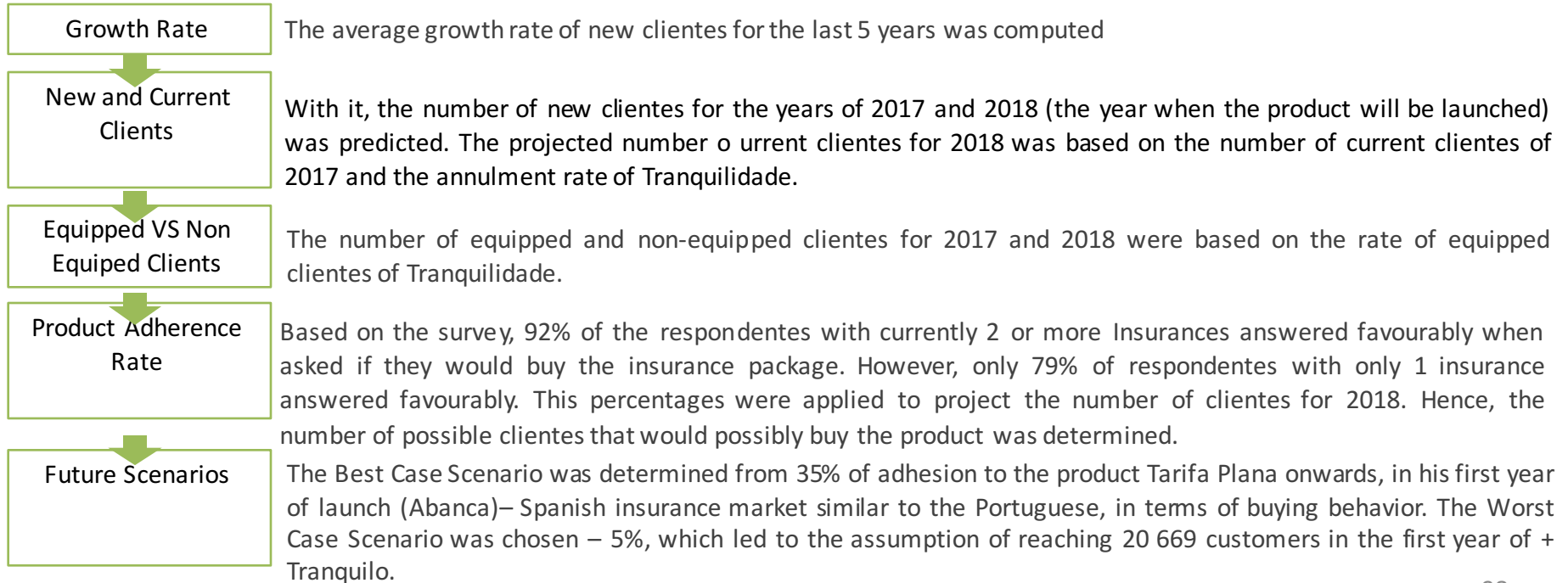


OUTCOME

- Within the age range [30;50], people not only buy Insurances for themselves but also for their children, partner and parents
- Significant differences in behavior were not verified
- The Communication strategy will then be aimed for those who **identify the need, research and gather information** about the insurance products. Since both corresponde to who, in fact, buys the Insurances, we targeted all individuals who buy Insurances from the age of 26.

4. ANSWER – GENERALIZED COMMUNICATION

In order to compute the necessary target for the Communication campaign, it was necessary to determine the number of clientes we want to target with it – that is, the number of +Tranquilos 1 year after launching the Communication campaign.

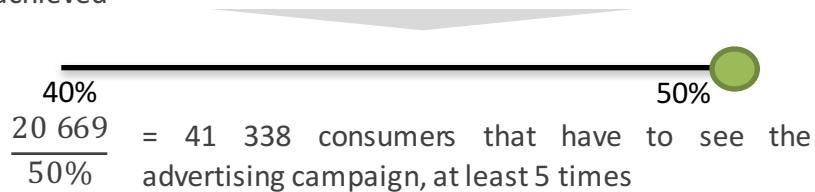


4. ANSWER – GENERALIZED COMMUNICATION

Admitting the product is launched in 2018 with the goal being to reach 5% of the clientes that would probably buy the product by the end o that year, over 17500 people must see the advertising campaign at least 5 times (this number corresponds to 5,45% of total clientes predicted or 2018)



Being the goal in 2018 to reach 20669 clientes in 2018, the logical next step would be to determine the number of people that needs to see the advertising campaign, in order to assure that the goal is achieved

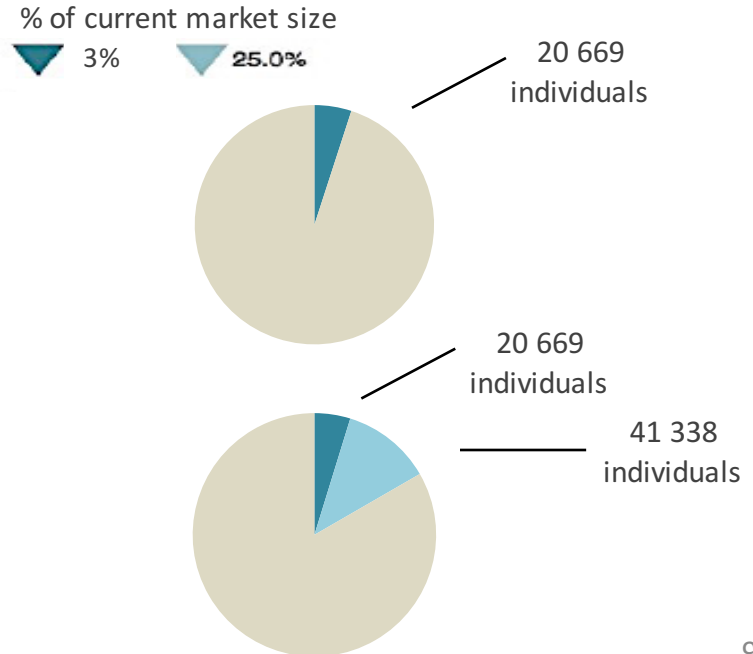


Reach = 20 669 indivíduos

Frequência = 5 vezes

To reach the goal, it was assumed that the campaign had to reach 100% more people, that is, 41338 individuals

Current Market Size: 759 105 individuals



4. ANSWER – GENERALIZED COMMUNICATION

The central message of the campaign resides on the transmission of the main advantages of the package identified by the respondents – centralization, simplicity and flexibility



Message

We are all together now: the entire family security in just one insurance package, one company! It's time to simplify!

This message will be transmitted alongside with the advantages of product in Tranquilidade, narrated by Rede Gestores+, referencing the immediate positive impact for the consumer, in terms of easiness and simplicity. Discount benefits will also be communicated.

Solidarity Campaign

Communicate the solidarity campaign of Tranquilidade, exclusive for adherent customers (part of the annual premium will be transferred to an association of the choice of the customer, as long as no car accidents are registered).

Goal? Highlight the ***union*** characteristics associated to the concept of our product.

Temporary Policy

Communicate the temporary insurance of Tranquilidade, exclusive for adherent customers.

Goal? Highlight the characteristics associated to the concept of our product.

Health Insurance

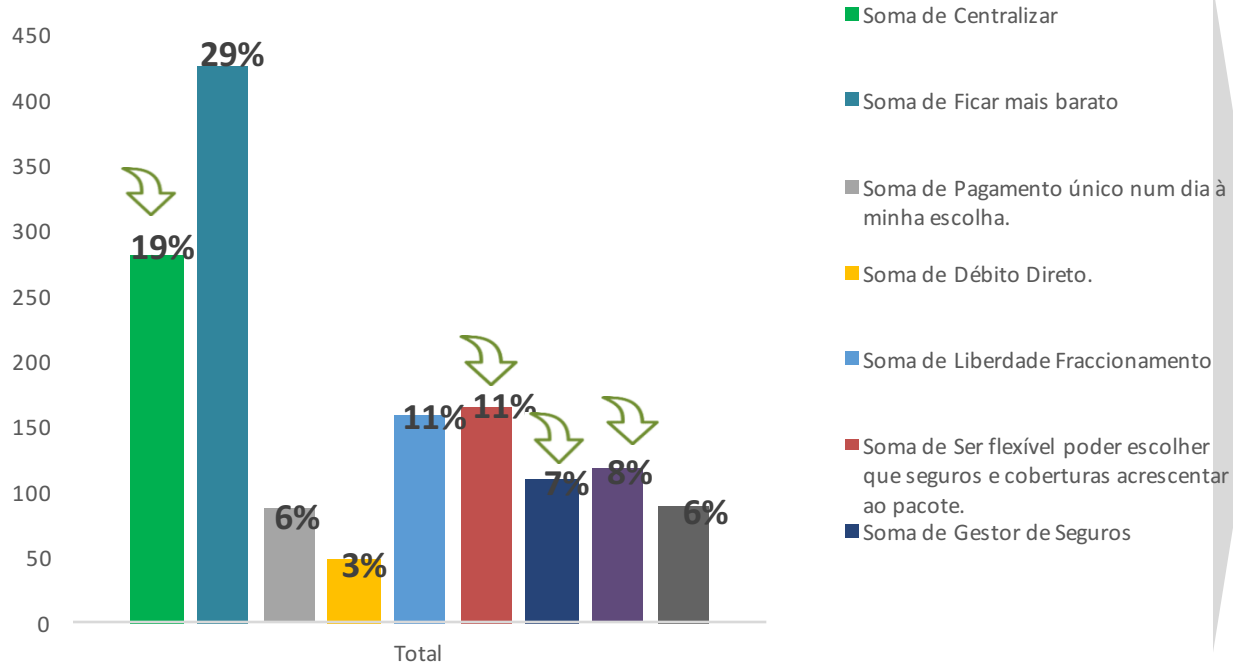
Communicate the ***Health insurance*** is a way of encouraging to buy the product in order to benefit from the discounts associated with adding the Health insurance.

4. ANSWER – GENERALIZED COMMUNICATION

In order to promote the new product and the concept behind it, it is crucial to transmit the benefits that it offers to the consumers. The communication it will focus on four benefits, the ones that were considered the most preferred ones by the interviewed.



What are the benefits that you enjoy the most in this product? – Nº of people

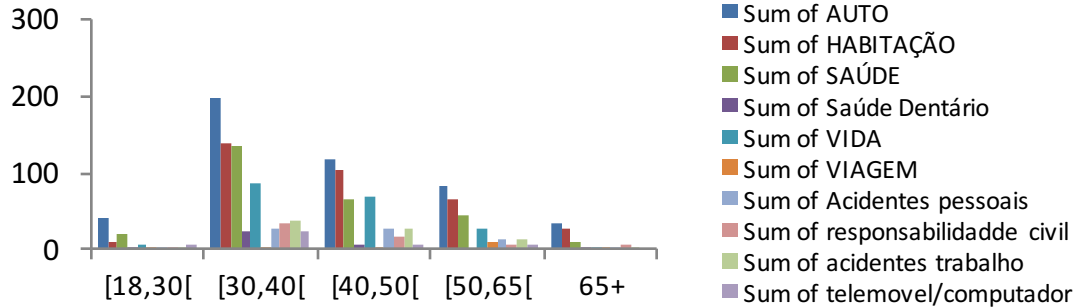


To communicate:

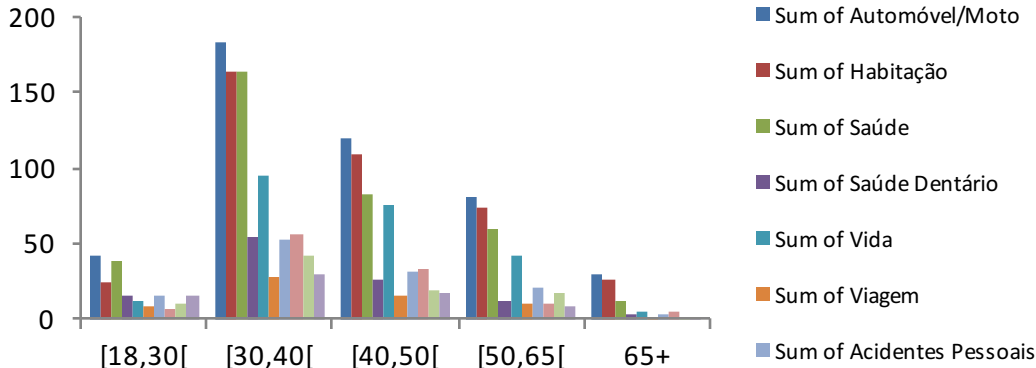
- The price benefit was the most valuable one chosen by the interviewed.
- Furthermore, the consumer enjoy the possibility to gather all his insurance policies in one entitie.
- The client also appreciates the flexibility to could add and drop insurance policies to his package, as well as the access to non premium frequency fees.
- The Service and deliverables of **Rede de Gestores +** and from the customers' online portal **Portal de clientes** will be also communicated in the format of exclusive associated services.

4. ANSWER – GENERALIZED COMMUNICATION

It is also interesting to verify that the insurance policy that increased the most with the access to the package was Health Insurance. In this sense, communicate the benefits that clients would enjoy from a package that include health could stimulate the purchase of the package (for those who search for a health insurance policy)



Seguros escolhidos pelos indivíduos para o Pacote multi-produto (Idade)



- When considering the purchase of an insurance package, the chosen policies (to include in the package) that increased the most when compared to the ones that the interviewed had at the moment, were mostly Health, Dental and Travel.

The health insurance increases in almost all the age groups when choosing the policies to include in the insurance package (and when compared to the ones that the interviewed had at the moment).

Car and House Insurance would keep the most chosen ones by the interviewed even when acquiring an insurance package.

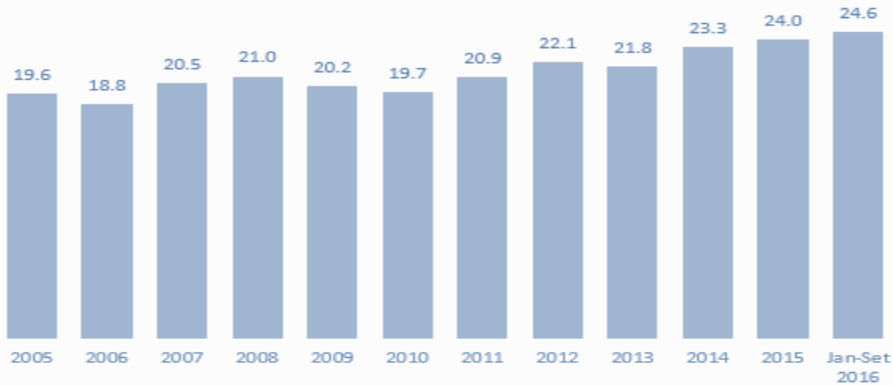
- Hence, the Health insurance is going to be communicated in the communication campaign as a strategy to promote the package and its advantages..

4. ANSWER – GENERALIZED COMMUNICATION

Basef Seguros Markttest 's reports describes na amount of 2018 onwers or beneficiaries of health insurance in the first semester of 2016. This value represents 24.6% of the universe composed by residents in the country with more than 15 years old. This is the higher value in the last 11 years, keeping, since 2014, and increasing and constant direction.



Posse de Seguro de Saúde
(em %)



Fonte: Markttest, Basef Seguros

To communicate:

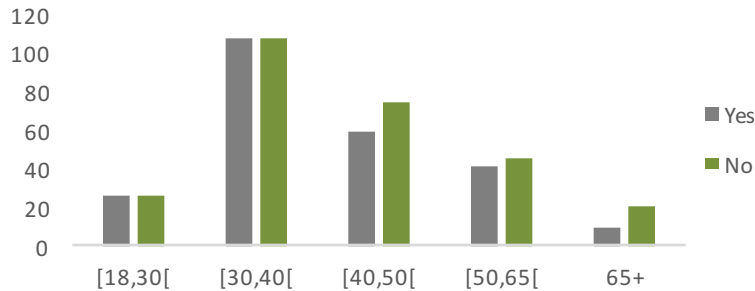
- According to Basef's research, it is shown that Health insurance policy is being increased during the last five years. Moreover, the ownership of this policy is mostly segmented by economic classes: while 43.1% of high economic class owns this product, only 15.7% of lower economic class enjoy from a health insurance policy.
- This information is coherent with the data gathered in the survey, supporting the decision of promoting the health insurance (when aggregated to the insurance package). (ver anexo 2)

4. ANSWER – GENERALIZED COMMUNICATION

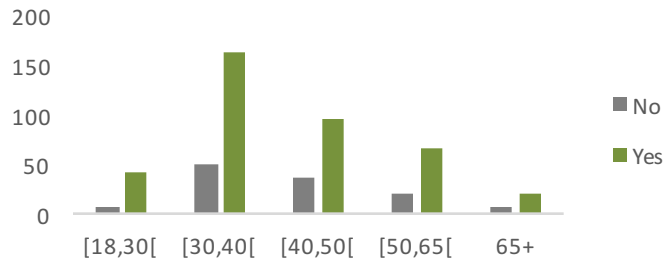
According to the percentage of individuals who recognized the usefulness of a temporary insurance policy, and since the fact that Tranquilidade is classified by the market as an entity who does not offer specific or different policies, to communicate this concept, only available to + Tranquilo's users, it could improve consumers' Brand Image and to promote the purchase of the new product. A similar effect happens with the Social Cause Benefit.



Would you join this service? (Temporary policy) – n° of individuals



Would you join this service? (Social Cause) – N° of individuals



To communicate:

- The temporary insurance was adopted by individuals who:
 1. Do not use regularly their vehicle;
 2. Use their vehicle in specific days and/or period of time.
 3. Travel regularly in a year.
 4. Have more than one vehicle, using more frequently ones than others.
- The Social Cause service will improve Company's image within the society, differentiating itself from the rivals by presenting different and unique characteristics to its clients who are linked to the new product.

4. ANSWER – GENERALIZED COMMUNICATION

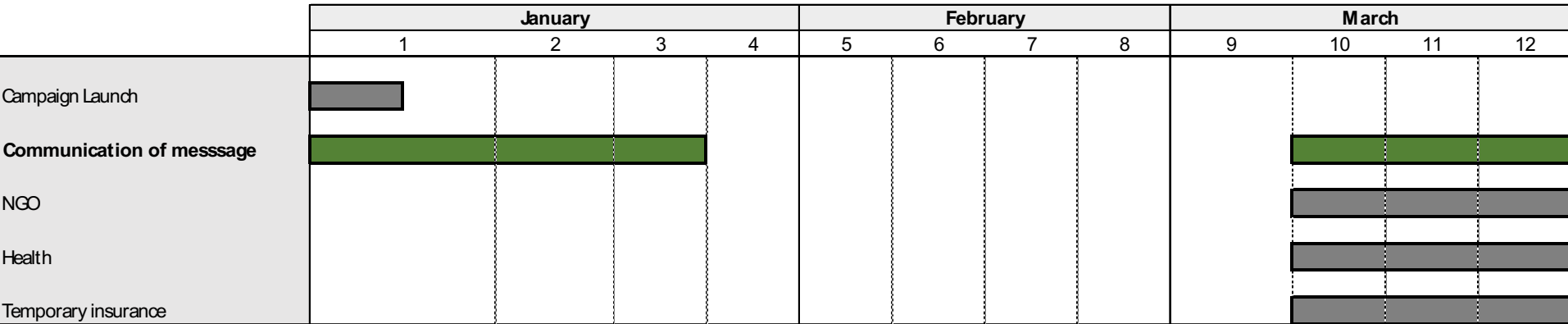
The previous message will be communicated during a campaign split in two moments, that will last one month in total.



	January				February				March			
	1	2	3	4	5	6	7	8	9	10	11	12
Campaign Launch	█											
Communication of message	█									█		
NGO										█		
Health										█		
Temporary insurance										█		

4. ANSWER – COMUNICAÇÃO GENERALIZADA

It is suggested, for the radio commercial, a description of the package along with its advantages by a Gestor+. This will highlight the benefits of union, centralization, flexibility and simplicity as a new product from Tranquilidade



4. ANSWER – GENERALIZED COMMUNICATION

The campaign **All together now** aims to communicate the main advantages related with the selected ones from the questionnaire. This campaign will be split in two moments, broadcasted in the first three weeks in radio (along with digital marketing). After a one month and a half break, it will be back to the market as a reinforcement and incentive to buying the product.



Campaign Basis

The commercial ad will have a Gestor+ as a voiceover that will describe:

- The new product – the insurance package
- The associated advantages – Centralization, Flexibility, Simplicity, Union, Personalization, Discount, Extra services.
- What is an insurance manager and the advantages of having one

*“With Tranquilidade, **We are all together now!** (family, safety and insurance). Being safe and protected is no longer a synonym of complexity, but of easiness to a fair price. Get all your insurance in one package and feel + Tranquilo. For our clients: the best service, the best product and the best value – na offer + Tranquila tailor-made for you”*



4. ANSWER – GENERALIZED COMMUNICATION

The radio consist in the first option to use in the communication campaign due to the specifics advantages – and consequently – a better price-benefit ratio. Nevertheless, the main reason to chose the radio is the strong emotional relation and lifestyle match that the radio has with the listeners – allowing a more open mindset about the advertised product.



Why using the radio a channel for the campaign?

Fit with the target

- **Low cost per contact;**
- *Short production timmings;*
- It can be implement fast for the fact that the channel is not with na overload that is common in other channels.
- This is a flexible channel that allows to segment the target, being present in different durations at very specific schedules.
- It can be repeated several times;
- High chances to be musically explored;
- Excellent channel for a direct contact with the public;
- **It reaches all the targets;**
- Broader reach in terms of location - it does get to some places that other channels don't.
- More affordable
- **More open to capture and digest information;**
- No need to be constantly looking to the radio device.

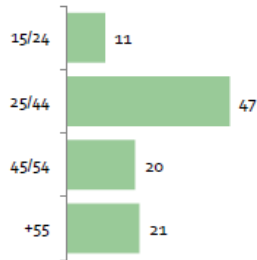
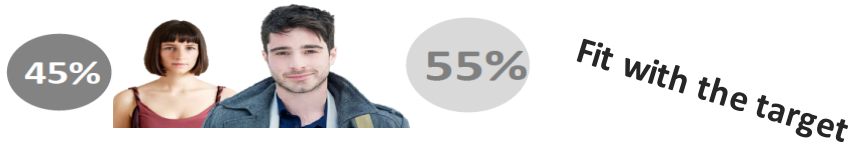
To the brand, the biggest advantage is the transformation of the message in the radio content, where they belong to the product, becoming entertainment and it is adaptable to each segment of consumers. Because of this it is well accepted by the public, who feel the message is tailor-made, making the message appealing and even – if well desgin – wanted” Pedro Machado, TSF

4. ANSWER – GENERALIZED COMMUNICATION

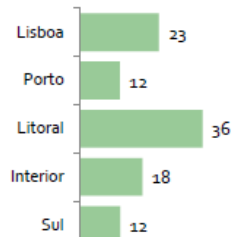
Besides the mentioned advantages, in 2016 it was registered a small increase (+3%) in radio ad investments when compared to 2015 as well as a small increase in the metric that allows to measure the number of people listening to radio in the period of one day. The radio audience profile matches the target for this communication campaign.



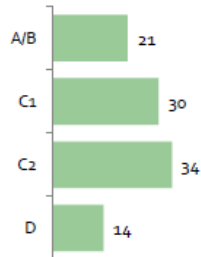
Audience – (%)



GRUPOS ETÁRIOS



REGIÕES



CLASSES SOCIAIS

Outcome

- It was seen a **positive increase of 3%** of the investment in radio advertising in 2016, compared to 2015.
- The number of times that radio is listen in a period of one day is 5 millions.
- It is a channel with a broad audience, reaching different regions in the country and any social class. Although it reaches every age group, it focus more on the ones above 25/30 years old, which are the ones the campaign wants to focus.

4. ANSWER – GENERALIZED COMMUNICATION

As the radio also has its own limitations, it is suggested a simultaneously investment in digital marketing considering its strong presence in the daily life of the consumers. To reach the target it should be made an investment in display and search marketing.



Why there is a need to complement with Digital Marketing?

Failure in advertising campaigns using radio

- Weak product demonstration
- Low levels of coverage
- High levels of repetition may have negative effects in the communication;

Digital marketing has the objective:

- **Awareness:** Make the insurance package known between consumers in Tranquilidade. (passive stage)
- **Engagement:** Working with actual clients and make them realize the potential of the package (passive and active stage)
- **Performance:** Conversion generation in a direct way- leads or direct action- Visualization of the product makes the consumer want it

How will the digital marketing correct this flaws?

- Each individual has the opportunity to visualize information and the commercial;
- High conversion rate (click)
- It follows the consumer's evolution and uses the strong influence that this channel has on the final buying decision.
- High and easy reach: no schedules
- Good price-benefit relation
- Possibility to measure and use analytics to improve the campaign

Who should initiate the communication?

		Company-initiated	Consumer-initiated
What kind of interaction?	Broadcasting	Display	Search
	Conversation	Dialogue	WOM

4. ANSWER – GENERALIZED COMMUNICATION

Regarding display marketing, it will be used banners and native advertising. The last one will be published on Tranquilidade's facebook. Furthermore, the campaign will be complement with search marketing, using key words that make the search easier.



Display Marketing

Display Marketing: Transmission of the company's commercial, along with third party generated content that is on the customer's interest. It can be done through:

- *Web Banners*: Advertising with text, logo and animations. The goal is to engage the consumer and generate clicks. The websites of TSF, Observador, Publico will be used a mean to reach the final consumer and as a host for the banners.
- *Native Advertising*: Published directly by the company. Only for facebook

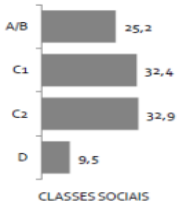
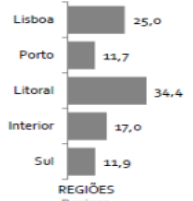
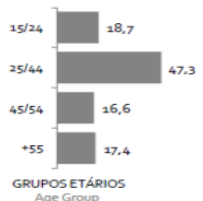
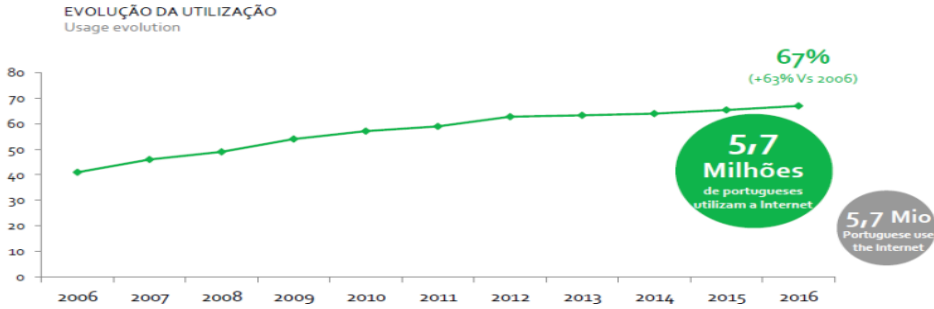


4. ANSWER – GENERALIZED COMMUNICATION

The digital channels have been experiencing a considerable growth in the last years. Portuguese population have a strong bond with social network and frequent contact with the internet, which leads to this being an easy way to reach the customer with a positive impact.



Crescimento da utilização da internet nos últimos anos
Growth of internet users in the last years



Outcome

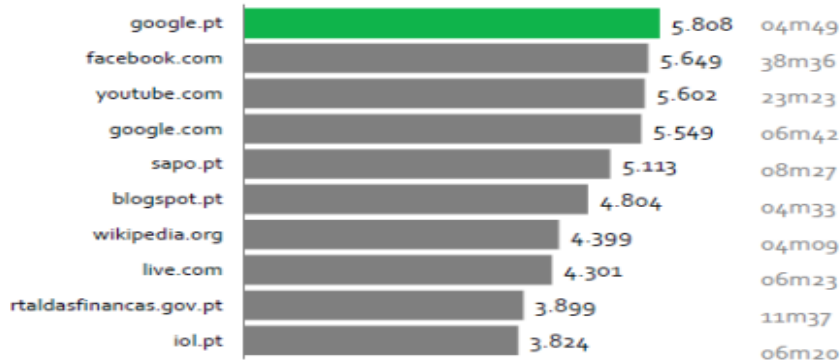
- It was observed a 29% growth in the advertising investment between 2016 to 2015.
- 5,7 Millions of Portuguese use the internet, which represents around 67% of the population.
- The age group which uses more regularly the digital channels is 25-44 years old.
- The digital channels are more and more present in the daily life of the Portuguese, being an easy way to reach a broad audience and contact the client.
- There was 2.6 million daily users in 2016
- 93% of the Portuguese population that uses the internet, do on a daily basis.
- There are 31 pages visited daily by the user.
- 90% of the users access the internet via PC, 73% via mobile, 42 via tablet and 7% via portable game station.

4. ANSWER – GENERALIZED COMMUNICATION

In 2016, Google was the most used domain and Facebook the main social network. This is why the insurance package should be communicated here through a display and search marketing.



TOP DOMÍNIOS/ Top Domains
UTILIZADORES ÚNICOS / Unique users



(Milhares utilizadores únicos/ Unique users in '000.)

TEMPO DIÁRIO
DESPENDIDO POR
UTILIZADOR (mm:ss)
Daily Time spent by u:

Outcome

- In average, each Portuguese spends 91 min per day in social networks.
- Facebook is the main social network in Portugal, where each user has in average 473 friends and publish 2 posts per day.
- 62% of the users in social network follow pages of brands.

94%
of social network users
have profile on
facebook

Em média, os
Portugueses passam
On average, the Portuguese spend
91 min
por dia em redes sociais
per day on social networks

4. ANSWER – COMUNICAÇÃO GENERALIZADA

As mentioned before, the second edition of the communication campaign aims to remember the customer of the new product present in the market, giving an incentive to buying it.



	January				February				March			
	1	2	3	4	5	6	7	8	9	10	11	12
Campaign Launch	█											
Communication of message	█									█		
NGO										█		
Health										█		
Temporary insurance										█		

4. ANSWER – GENERALIZED COMMUNICATION

As mentioned before, the second edition of the communication campaign aims to remember the customer of the new product present in the market, giving an incentive to buying it.

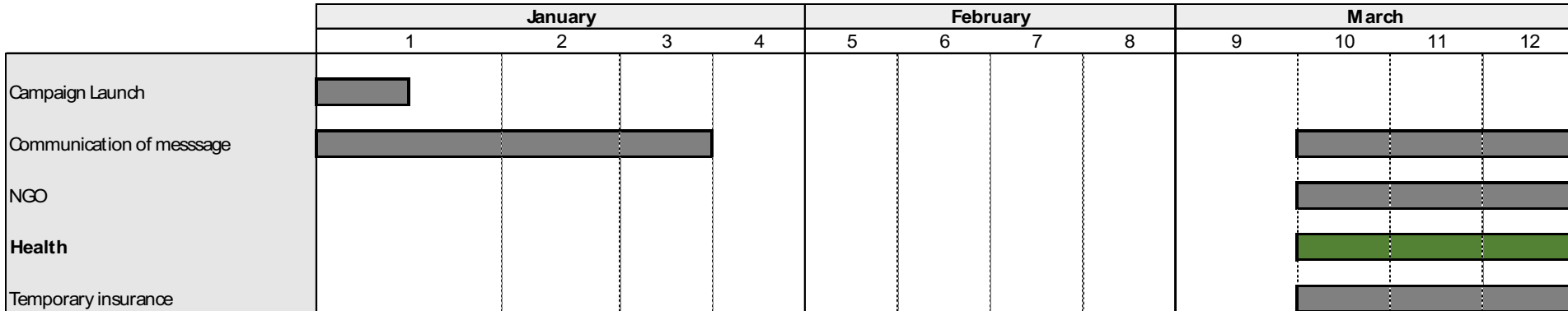


Chose the organization to which you want to donate with your yearly premium!

¹ Campanha válida para clientes pacote multi-produto e na ausência de sinistros no período de um ano

4. ANSWER – GENERALIZED COMMUNICATION

As mentioned before, it was verified that people who would want the package (from the questionnaire population) many added an Health insurance. This being said, it would be interesting to advertise this insurance in the second edition of the campaign, through Digital Marketing.



4. ANSWER – GENERALIZED COMMUNICATION

By advertising this insurance in online marketing campaigns, the idea is to associate the product to the package and the benefits that each client has from being part of this package. By searching for this health insurance or multi-product, the client will find the add of Tranquilidade's health insurance and the advantages of clients who have packages.



Why is Digital Marketing the best way to promote the product?

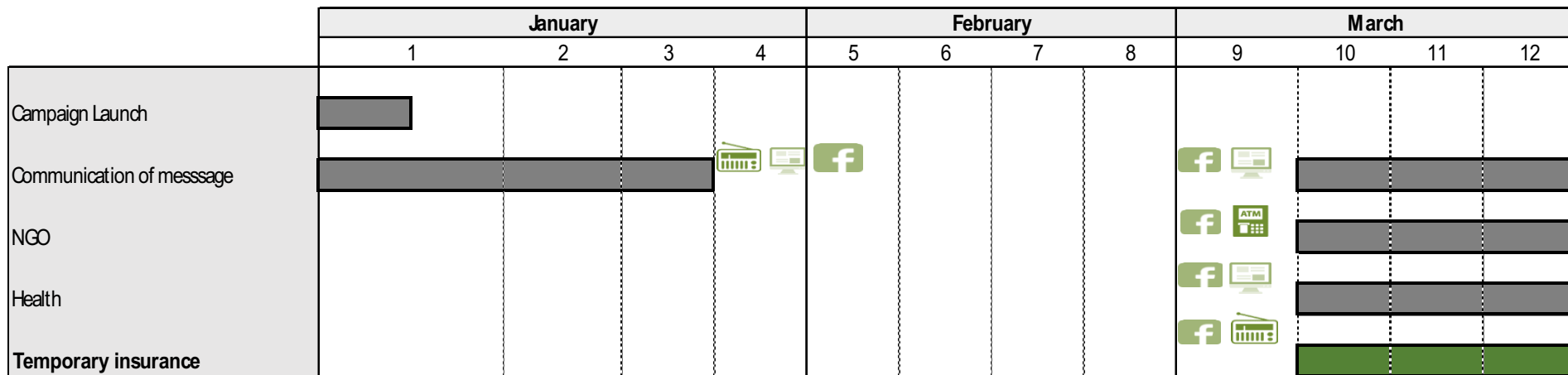
- Through search marketing it becomes possible to redirect the client to the link and advertise the insurance package, with no association to words like: health, health insurance.
- The opportunity to associate the consumer search related with Tranquilidade's insurance products. The health insurance is the one that has higher chances to be added to the package to benefit from a bigger discount. This way, the client has a bigger chance to consider this insurance.

Basics of the campaign

- **There is a bigger concern and importance given to the health insurance.**
- To make the customer loyal, it is fundamental that the agent books a call (maximum for the following week) to schedule the first free appointment, to assure the client has a positive experience in experiencing the product and the advantages (LEARN – FEEL – DO)

4. ANSWER – COMUNICAÇÃO GENERALIZADA

In the campaign's second edition, the temporary Auto insurance should also be communicated, due to its unique and exclusive features.

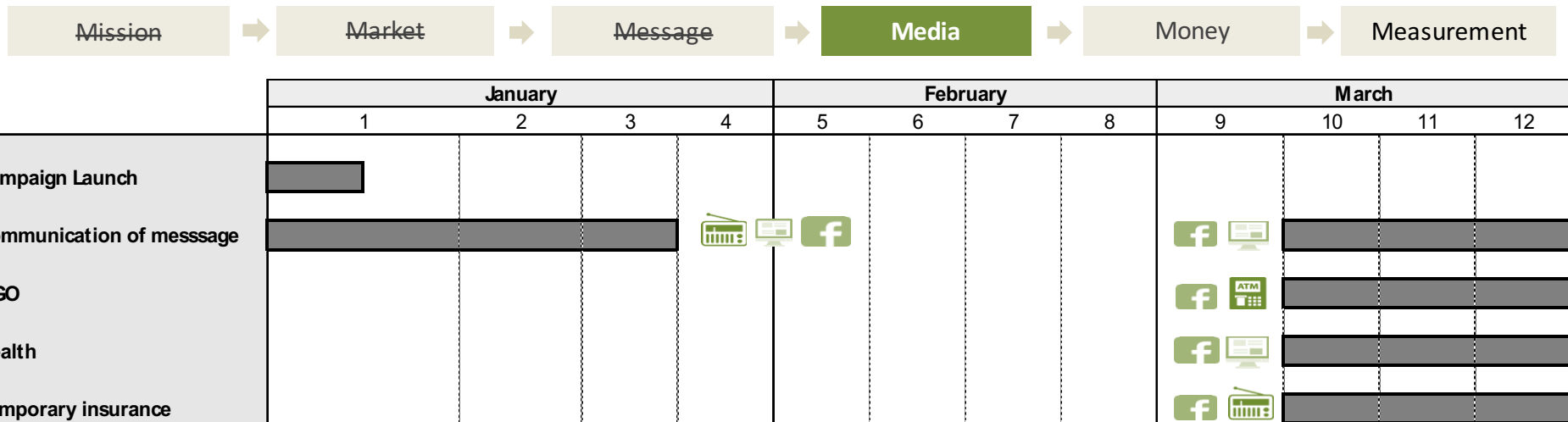


The temporary Auto insurance, as it is a new concept in the Portuguese insurance market, must be thoroughly communicated through the use of Radio, so as to generally reach insurance consumers.

At the same time, this new type of insurance should also be publicized within the stores of Tranquilidade, through flyers or posters, with the ultimate goal of materializing the campaign for the client.

4. ANSWER – COMUNICAÇÃO GENERALIZADA

All the campaigns designed for Tranquilidade aim to improve the perception of consumers towards the brand, which, ultimately, will impact the consumer buying behavior.



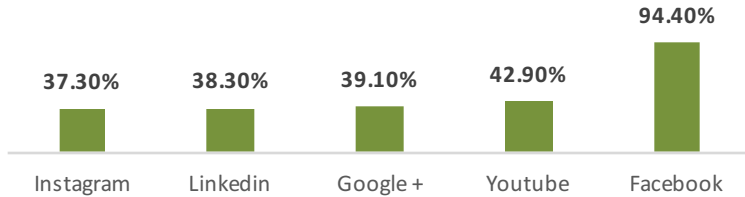
It is important to highlight that all campaigns will be communicated simultaneously in Tranquilidade's website and Facebook page, which will be created so as to develop a more personal relationship with the consumer, generating a more transparent and attentive brand image.

4. ANSWER – COMUNICAÇÃO GENERALIZADA

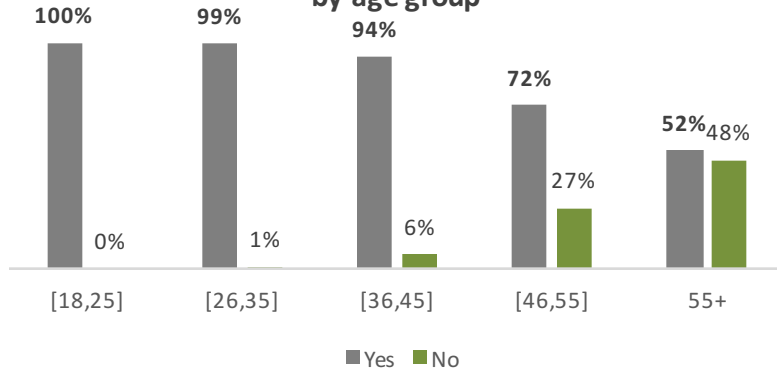
The strong presence of the sample on social networks backs up the hypothesis of creating a Facebook page for Tranquilidade, with the development and publication of vídeos that would support the campaign of “+ Tranquilo”. This product should also be advertised through Tranquilidade’s website.



% of internet users that use social networks



Percentage of individuals that use social networks by age group



- 65,4% of the Portuguese population used internet regularly;
- 54,8% of Portuguese people use social networks;
- 38% of the time spent surfing the web corresponds to the use of social networks.
- This being said, the following campaign is proposed, using these channels:
 - Development of Tranquilidade’s Facebook page;
 - Advertise new product in the official website of Tranquilidade, with a 24h chat for customers within their portal;
 - Design and post vídeos online – both in Facebook and Youtube, as they complete the podium of most used social networks in 2016. (ANEXO 1)
 - Development of a mobile App (additional services, through which “+ Tranquilo” would also be promoted).

4. ANSWER – COMUNICAÇÃO GENERALIZADA

Followed by the proposed focus on the use of social networks, it would be interesting to use them as a way of advertising the campaign *All together now*, through an individual's life story or testimony, so as to generate feelings of concern, protection, but most of all, of familiarization, aiming towards the emotional involvement of the client with the product and brand.

Campaign guidelines – All Together Now: The commercial is the life story of João, represented by six different stages of his life. It is assumed that as he goes through these stages, he is adding/cancelling insurance products depending on the life stage he is in. The commercial ends with the “present” João, the last icon, adding the Senior Health insurance product to his package at Tranquilidade. This kind of publicity, a story that emotionally targets consumers, tends to deliver a stronger message and to have a more profound impact on the consumer.



João was born and raised in a happy family, always protected and beloved by his dedicated parents.



Already a graduate and with a job, João moved in with his girlfriend, with the intention of starting a family.



At the age of 18, he moved to another city in order to be able to study in the university.



At the age of 35, João already has two kids, a stable job and a healthy marriage.



During the four years of his bachelor, he travelled a lot with his friends, as well as became an avid tennis player



Thirty years later, with 65 years old, João decided to retire. Both his kids are already independent, which makes João worry about his parents, including them in his package at Tranquilidade.

4. ANSWER – GENERAL COMMUNICATION

The Facebook page will be used to communicate the new product. However, it is also important to refer that its creation will have **other long term goals**, apart from the **Brand Attitude** campaign and the **promotion of the new product**.

Mission



Market



Message



Media



Money



Measurement

Method

- Videos/posts/states publicizing products and/or promotions.
- Communication of Events/Premium/Acknowledgements/Objectives.
- Posts/news/organizations (Brand Attitude alteration and education of the consumer's market).
- Messages to the client.
- *Equipa Tranquilidade's* shares

Short term objectives

- Getting to know the Brand and its current concept, as well as its vision, message and objectives (Brand Attitude).
- Relationship and Engagement with the consumer.
- Educating the insurance market client (Brand Attitude).
- Share the existence of the new product and multi-policies concept.
- Constant feedback and adjustment regarding the strategy to use.
- Apply and transmit Consumer-oriented essence.

Long term objectives

- A present, transparent brand, close to the client.
- Constantly update the client regarding new products and promotions.



4. ANSWER – GENERAL COMMUNICATION

It is also crucial to have into consideration some **negative aspects** that the introduction of the social media marketing will imply, like the negative feedback from clients. However, this openness will also contribute to the sharing of positive opinions and testimonials from clients, regarding the brand and its products.



PROS

- High reach
- Low cost
- Personalization
- Relationship Company-Clients
- Adjustability
- Quickness
- Measurability

CONS

- Difficulty in determining the psychographic profile of the audience
- Attrition of the Channel with consumers
- **Lack of Control** of possible crisis – which implies that Tranquilidade, by using a page on social networks, accepts the possibility of being criticized and receive negative feedback from clients. Nevertheless, there are crisis management systems that might help to deal with similar situations.

CRISIS MANAGEMENT SYSTEMS



4. ANSWER – GENERAL COMMUNICATION

The Company's Website, already existing, takes the second place in the most visited Websites whose visitors take more time to navigate, comparing with the main competitors*. Consequently, it will be used to publicize the new product and inform clients of its characteristics and conditions.

Mission



Market



Message



Media



Money



Measurement

Company's Website

- Tranquilidade's Website is the one with highest Engagement in the Industry (second position after Fidelidade), with the second highest visit rate (estimated and real) (Anex 1)
- Tranquilidade's client spends more time in the Website than other big companies' clients do.
- It is suggested to transmit images and videos referring to the new multi-policies package.



4. ANSWER – GENERAL COMMUNICATION – Suggestions for the future

Given the important that the inquired attributed to the recommendations of others in the purchase of a product, and to the impact that the testimonial has in other clients, it is suggested, on the long term, the creation of a video constructed with the testimonials of several clients of Tranquilidade's multi-product package, that express the impact that its benefits had in their lives and in the way they see insurance.



ALL TOGETHER NOW



Reminding...

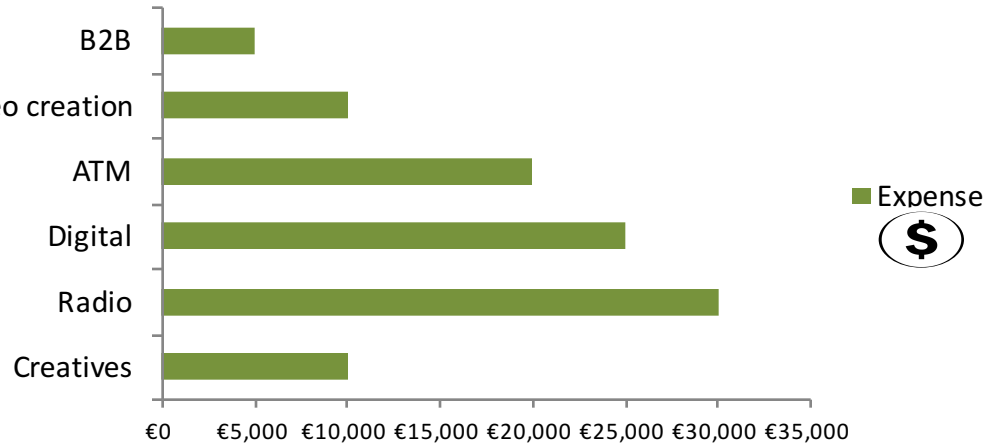
- In the purchase of an insurance, the clients decide which is the company they want to buy their insurance from according to the following criteria (in order of preference): Relation price-coverage, Client Support (service), Inheritance of the Brand, Purchase easiness, Extra Benefits, **Recommendations, Experience and testimonial**. These characteristics are aligned with the delineated Mission.
- A narrative of the real impact the product had in the life of an individual **will transmit to rest of the consumers a feeling of safety and trust in the product, incentivizing its purchase.**
- Thus, it is suggested, for eventual future investments in the product's communication with renovation of the campaign, to transmit a commercial that is based on real testimonials of individuals who share their experience as clients + Tranquilo.

4. ANSWER – GENERAL COMMUNICATION

The main expenses involved in this communication strategy are related with Radio and Digital advertising, which will be the main communication media for our campaign.



Expected expense for each communication media used in the communication campaign



- The 100 thousand euros to invest on the communication Campaign will be divided in the following way: 20 thousand euros destined to the creatives and the video creation to include in the social networks and Website; 20 thousand euros for the ATM campaign; 25 thousand euros for Digital Marketing and 30 thousand euros in the Radio campaign. The remaining 5 thousand euros are reserved for the B2B communication. These costs were calculated through the current budget allocation that Tranquilidade spends for the communication media and campaigns.

4. ANSWER – GENERAL COMMUNICATION

To control and assure that the effect that each of the campaigns satisfies their goals, they will be subject to several control measures and results evaluation.



How to measure the impact of each of the communication means selected before?



As a way to measure the impact of a radio campaign, the Reach that the total campaign accomplished will be calculated (through the levels of audience destined to the commercials).



The number of clicks and the Earned Media will be a good method to manage the impact and the number of clients who visualize the digital campaign. To compute the Conversion Rate, it will be interesting to use the number of clients who simulated a package and later bought it with the help of the mediator, and comparing it with the total of clicks on the campaign's period.



In order to calculate the Reach coming from Social Media, it is intended to resort to the visualizations and likes number of the different publication, as well as the clients' Engagement, through the Shares and Comments of the page.



Through the operations on the ATM it will be possible to determine the reach coming from the ATM campaign (number of individuals who visualized the commercial).

The four campaigns ought to reach a total of 42 338 individuals, so that 20 699 individuals buy the product until after one year (desired Reach).

A

Situation

B

Complication

C

Question

D

Answer

D.5

Profitability of the product

PROFITABILITY OF THE PRODUCT

To determine the impact of the introduction of the new product on the market, was to calculate the impact of the absolute margin at the end of a year of sale of quiet. This has a positive value rounded up to 1 000 000. This value is the result of a set of six steps, which in its full describe the costs and revenues expected for Tranquilidade during the first year of release.

Consumers

“Cliente Verde”

DD

Services Extra

Comunication

No Premium Frequency Fees

A total of 22669 clients that are going to generate 3238296 euros in sales in 2018 (slide XX). This number was calculated through the percentage of Insurance agents that usually met the sales goal that is defined for one year

The reduction in cost that Tranquilidade will enjoy by not sending letters to its clustomer (since they will start using email to comunicate and to share documents)

It was concluded that the cost that Tranquilidade would face by having all + Tranquilo’s customers using DD, rather than bank transference, would be lower than having 5% discount for those who would be adopting DD.

The impact of supporting the new costs of having Seguro Temporário, Social Cause Service, Member Get Member and the costs of the new Agents campaigns (prize per sale and/or quality service) were calculated.

It was considered the 100 000 euros to invest in communication according to the budget that Tranquilidade usually spend in the media chosen.

According to the percentage of interviewed people who decided to pay its product monthly, per trimester/semester or anually, it was calculated the cost for Tranquilidade not enjoying the Frequency Fees that it charges for those who do not pay their premiums anually.It was also considered that the number of annulment rate would increase since the number of people paying monthly and quarterly would increase (being easier to cancel the policies). . It was also considered the fact that the number of clients with more than one policy would increase with the access to the multi-policy product.

A

Situation

B

Complication

C

Question

D

Answer

D.5

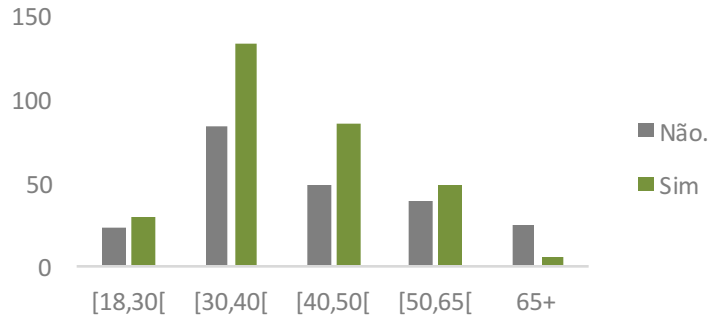
Further Research

FURTHER RESEARCH

A suggestion of extra service or benefit to include for the clients who adhered to the multi-product package could be the creation of a concept of shared economy, developing a differentiating service based on the trust and commitment existing between the clients.

Would you join the concept of a Shared Economy?

Number of individuals + %



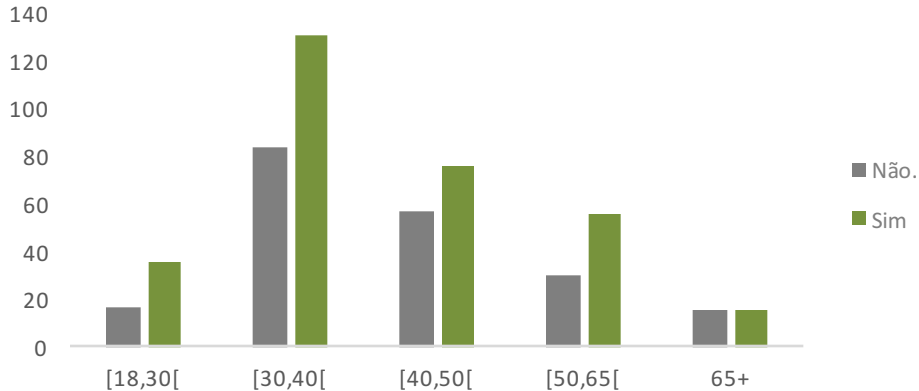
Outcome

- 58% of the sample showed interest in the concept of shared economy.
- This product consists in the development of a community between the clients with the package:
 1. The client brings his/her friends and family to Tranquilidade's multi-product concept.
 2. Creating a small community with his/her friends and family, the client, as well as the members of his/her group, deposit a percentage of their premium on a fund managed by Tranquilidade.
 3. If an accident happens to any of the members, the franchise is paid by the money in the fund.
 4. In the absence of any accident, at the end of the year, the money is returned to the members or reutilized to the next year.
- **Advantages to the client?** It allows him/her to choose lower insurance premiums, with a higher franchise, because it will be covered by the monetary fund. Also, it is possible to recover the money in the absence of accidents (the client will select to his/her community individuals with a perceived lower risk)
- **Advantages to the Company?** A higher number of clients due to the influence of the contact network of the current clients (who will choose the individuals in whom they trust and they believe have low risk). Additionally, there will be higher revenues from clients with more expensive premiums.

FURTHER RESEARCH

A suggestion of extra service or benefit to include for the clients who adhered to the multi-product package could be the access to a **Health and/or Life Insurance leveled**, initially more expensive but whose price will not increase during its lifespan.

Would you adhere to the Leveled Health and/or Life Insurance? – Number of Individuals + %



Outcome

- In all age segments, all the inquired declared to **prefer paying a initial value to both insurances, if it implied that both would not suffer an increase in price annually.**

The increase in price is one of the main presented motives for quitting or not adhering to these types of insurance (factor also referred by the Mediators interviewed). Some of the inquired even referred to prefer to pay a higher initial value, whose premium would decrease annually.

Tranquilidade can present this **leveled solution as a differentiation factor to the clients that seem to have loyalty potential (multi-product package).**

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APPENDIX

4. APPENDIX – ANSWER – EXTRA BENEFITS

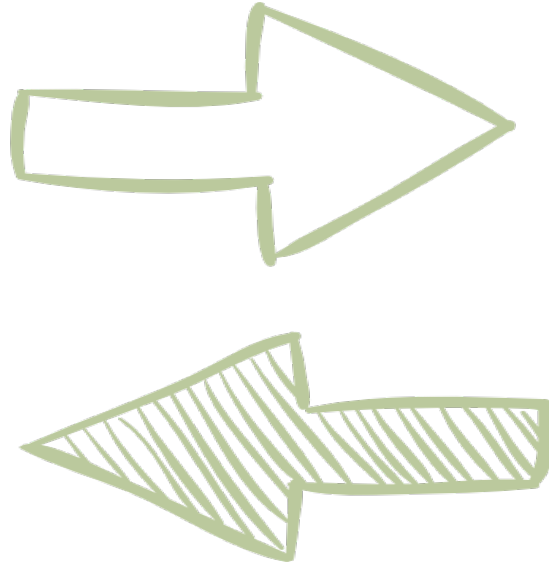
The Associação Portuguesa de Famílias Numerosas supports the ease and right to build a family with responsibility and without physical barriers. Through a partnership with the tranquillity, this could provide security and savings to their members, allowing to Tranquilidade to get access to a market directed to your package multi-product.



Apostar na família, construir o futuro.



- The APFN benefits from donations from the company: 1% of annual premium for customers who do not report any accident within one year (only for customers who agree with these terms)
- Direct access to publicity and communication of the Organization, its causes, events and activities.



- To join the APFN, Tranquilidade would gain access to a range of clients that would benefit a lot of advantages associated to the package multi-product, enjoying, at a more affordable price, insurance for the whole family.
- Tranquilidade would enjoy from advertising and direct recognition by sponsoring events, causes and activities of the organization.
- Tranquilidade would also educate and develop a new consumer of insurance more concerned and aware with your safety.

4. APPENDIX – ANSWER – EXTRA BENEFITS

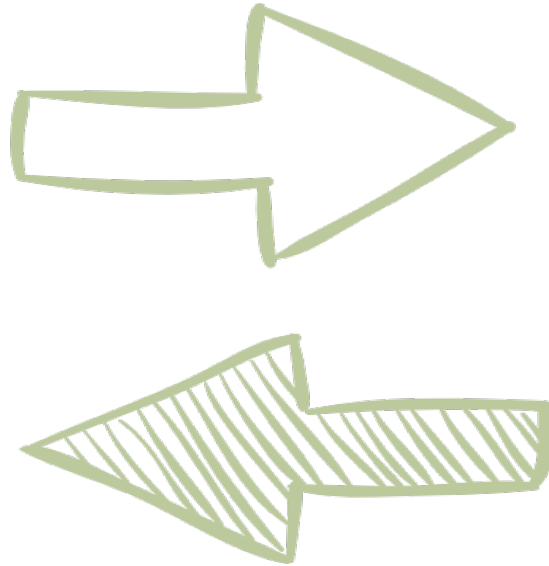
The Associação Portuguesa de Deficientes Motores, youth and adults with disabilities and/or inability (whether by birth or accident). A partnership with the tranquillidade would allow the education and awareness of society to the importance of prevention.



- APD benefits from donation of the company: 1% of the annual premium from the clients that haven't reported any sinister in the rolling period of one year (only for the clients that agree with the terms) ^{1 - Anexo 4}

- Direct access to publicity and communication from the organization, the cause, events and activities.

- Being associated with Tranquilidade means they are investing in the prevention according to the cause and values. Consider that now, ADP only supports people that are already sick, doesn't work in prevention.



- By associating with APD, the company is educating the community to a need of protection and safety, developed through the impact and consequently the feeling of fear (there will be campaigns for the donations and prevention).
- Being recognized as a solidary company that supports its community.
- The benefits from sponsoring the events, the cause and the organizations are many, among them publicity and recognition.

4. APPENDIX - ANSWER – EXTRA BENEFITS

In the menu related with his/her + Tranquilo package, the client may verify **which are the inclusions and capital of his/her insurances + Tranquilo, in a practical and succinct way (Focus Group)**, the payments to settle, novelties or promotions to include in his/her package, among other characteristics.

A minha conta de seguros

Os meus
seguros e
serviços

Pagamentos

Novidades

Seguros
disponíveis

Promoções

PAYMENTS TO SETTLE

Balance in debt: 552,5€

Products in debt:

Annuity + Tranquilo.....	552,5€
Automobile BASE	220€
Health BASE	310€
Discount applied.....	(10%)
Member Get Member	(5%)
Maturity date: 29.05.2017	

NOVELTIES

Na Tranquilidade só paga o seu seguro de Automóvel para o período em que o utiliza!¹

Disponível apenas para clientes pacote multi-produto

MY INSURANCES AND SERVICES

AUTOMOBILE - BASE

- Substitution vehicle in **equivalent category**, in all the options, in case of malfunction, nature phenomenon, fire and vandalism acts.
- **Utilization of the substitution vehicle** not only during the repairing time, as well as, optionally, in the period when the vehicle is prohibited of circulating.
- **Advantages on Tranquilidade's conventioned repair shops:** substitution vehicle delivered in the location (if available), warranty after repairmen, cleaning and vehicle assistance.
- Multi Assistência BASE (Assistance in Travel, Substitution vehicle, Juridical defense)
- Protection of All the occupants (10 000€)
- Protection for Dogs and Cats (500€)

HEALTH – BASE

- Hospitalization 15000€ (client's co-payment of 10%/50% (Network/Outside the Network)
- Ambulatório (8 appointments, + 2 analysis + 2 exams (client's co-payment of 15€ inside Network, not applicable outside the Network)
- Home Inspection (client's co-payment of 15€ inside Network, not applicable outside the Network), Assistance to people, 2nd medical opinion.

SERVICES MANAGER+ , MEMBER GET MEMBER

4. APPENDIX – Tranquilidade's Health Table

		HEALTH												
		Essencial	Essencial + Ambulatorio	Valor	Valor + Estomatologia	Prestigio	Saude Extra Care							
	€	76.00	€	248.30	€	304.90	€	400.30	€	797.10	€	40.90		
	€	76.00	€	206.50	€	289.50	€	369.50	€	793.90	€	100.80		
	€	76.00	€	146.00	€	273.60	€	378.40	€	778.20	€	56.90		
	€	76.00	€	167.30	€	275.70	€	378.40	€	777.70	€	65.60		
	€	76.00	€	176.90	€	361.20	€	482.50	€	907.40	€	64.20		
AGE	16	20	€	76.00	€	204.30	€	583.40	€	708.20	€	1,216.60	€	71.20
	21	25	€	76.00	€	215.40	€	616.50	€	712.90	€	1,321.80	€	93.00
	26	30	€	76.00	€	244.50	€	548.20	€	679.10	€	1,270.50	€	110.50
	31	35	€	101.30	€	302.10	€	519.20	€	671.90	€	1,313.70	€	137.80
	36	40	€	126.70	€	410.80	€	599.20	€	774.10	€	1,465.70	€	171.50
	41	45	€	190.00	€	522.50	€	725.20	€	899.30	€	1,727.80	€	206.00
	46	50	€	190.00	€	576.80	€	973.70	€	1,100.70	€	2,033.10	€	283.30
	51	55	€	221.70	€	696.50	€	1,319.50	€	1,459.30	€	2,503.00	€	364.10
	56	60	€	267.60	€	938.80	€	1,482.60	€	1,716.20	€	2,826.30	€	435.80
	61	65	€	483.80	€	1,319.20	€	1,811.60	€	1,910.60	€	3,575.20	€	785.30
	66	70	€	630.90	€	1,540.70	€	2,264.50	€	2,388.20	€	3,945.80	€	1,020.30

4. APPENDIX – PRELIMINARY MATRIX 26-35

(PT)Auto + Habitação		(PT)Auto + Saúde		(PT)Auto + Hab + Saúde			(PT)Auto + Hab + Vida		(PT)Auto + Hab + Saude + Vida			
[26,35]		Valor+Essencial + Ambulatorio	384.2	539.6	Valor+Essencial + Ambulatorio+VALOR MAIS- Imóvel + recheio	484.6	771.9			Valor+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel	791.2	896.5
		Essencial+Essencial + Ambulatorio	340.6	457.6	Essencial+Essencial + Ambulatorio+VALOR MAIS- Imóvel + recheio	441.0	690.0			Valor+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel + recheio	832.6	972.1
		Light+Essencial + Ambulatorio	305.0	445.9						Essencial+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel	747.6	852.9
										Essencial+VIDA COOL MAIS+Valor+VALOR MAIS- Imóvel + recheio	789.0	928.5

4. APPENDIX – Preliminary Matrix – 36-45

(PT)Auto + Habitação		(PT)Auto + Saúde		(PT)Auto + Hab + Saúde		(PT)Auto + Hab + Vida		(PT)Auto + Hab + Saúde + Vida	
[36,45]		Valor+Essencial	293.4 666.9	Valor+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	620.4 1130.2	Valor+VALOR MAIS (75K)+VALOR MAIS- Imóvel + recheio	550.1 1242.2	Valor+VALOR MAIS (75K)+Essencial + Ambulatorio+VALOR MAIS - Imóvel	909.0 1116.0
		Essencial+Essencial	265.0 385.9	Essencial+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	592.2 849.2	Valor+VALOR MAIS (75K)+LIGHT - Imóvel + recheio	488.2 1107.1	Valor+VALOR MAIS (75K)+Essencial + Ambulatorio+VALOR - Imóvel	860.4 962.1
				Valor+Essencial + Ambulatorio+VALOR MAIS - Imóvel	632.5 1184.8	Essencial+VALOR MAIS (75K)+LIGHT - Imóvel + recheio	188.8 388.5	Valor+VALOR MAIS (75K)+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	872.1 963.0
				Essencial+Essencial + Ambulatorio+VALOR MAIS - Imóvel	641.3 960.4	Essencial+VALOR MAIS (75K)+VALOR MAIS- Imóvel + recheio	521.8 961.1	Valor+VALOR MAIS (75K)+Essencial + Ambulatorio+VALOR- Imóvel + recheio	895.5 1057.5
								Valor+VALOR MAIS (75K)+Essencial + Ambulatorio+PRESTÍGIO - Imóvel + recheio	1108.8 1727.1
								Essencial+VALOR MAIS (75K)+Essencial + Ambulatorio+VALOR MAIS - Imóvel	880.6 1087.6
								Essencial+VALOR MAIS (75K)+Essencial + Ambulatorio+VALOR - Imóvel	832.0 933.7
								Essencial+VALOR MAIS (75K)+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	843.7 934.6
								Essencial+VALOR MAIS (75K)+Essencial + Ambulatorio+VALOR- Imóvel + recheio	867.1 1029.1
								Essencial+VALOR MAIS (75K)+Essencial + Ambulatorio+PRESTÍGIO - Imóvel + recheio	1080.4 1698.7

4. APPENDIX – Preliminary Matrix 46-55

(PT)Auto + Habitação		(PT)Auto + Saúde		(PT)Auto + Hab + Saúde		(PT)Auto + Hab + Vida		(PT)Auto + Hab + Saúde + Vida						
[46,55]	Valor+VALOR - Imóvel + recheio	255.7	735.8			Valor+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	761.9	127 4.6	Valor+VALOR (50K)+ESSENCIAL- Imóvel + recheio	229. 1	631.7	Valor+VALOR MAIS (75K)+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	704.3	1013.5
	Essencial+VALOR - Imóvel + recheio	237.3	465.5			Essencial+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	743.6	100 4.3	Essencial+VALOR (50K)+ESSENCIAL- Imóvel + recheio	499. 4	1101.4	Essencial+VALOR MAIS (75K)+Essencial + Ambulatorio+ESSENCIAL- Imóvel + recheio	746.3	803.5

4. APPENDIX – Preliminary Matrix 55+

(PT)Auto + Habitação		(PT)Auto + Saúde		(PT)Auto + Hab + Saúde		(PT)Auto + Hab + Vida		(PT)Auto + Hab + Saúde + Vida	
55+	Valor-VALOR MAIS- Imóvel + recheio	278.2	664.5	Valor-Saúde Sénior	304.8	1067.0			
	Essencial-VALOR MAIS- Imóvel + recheio	241.5	568.8	Essencial-Saúde Sénior	268.0	971.3			