

# *From Face-to-Face to Digitally Supported Communication: Insurance Company Consultants' Reflections on their Activity in the Conditions Imposed by the COVID-19 Pandemic*

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**Abstract:** *The paper deals with the shift in the activity of selling insurance policies in Romania during the restrictive conditions imposed by the COVID-19 pandemic. Financial consultants had to adapt to the social distancing measures and to experiment with digital tools of communication to contact, persuade and perfect the sales in unfamiliar conditions. The qualitative approach to the topic capitalizes on the results of a questionnaire, applied in a Timisoara-based agency of a reputable insurance company. Results show that consultants, irrespective of their level of studies, lengths of work experience and personal predispositions could continue their activity in the digital formats. Their prediction is that at least part of the accumulated digital experience will be part of the post-pandemic sales process, customers sharing the conviction that digital solutions are convenient and save time.*

**Keywords:** *insurance company, COVID-19 pandemic, digital tools, client behavior, online communication.*

## 1. Introduction

The health crisis triggered by the 2020 pandemic took society by surprise (Cernicova and Palea, 2021). The undertaken measures, such as an initial lockdown, followed by social distancing, mask wearing and a strong recommendation to resort to digital solutions wherever possible caused a disruption in the “business as usual” model. A year later after the outburst of the COVID-19 pandemic economy is still adapting to new conditions and tries desperately to develop the set of rules fitting for the multiple challenges. This paper deals with the way a company that has risk prediction as a motive for business adapted to the conditions of the imposed restrictions and not only survived the pandemic challenge but remained relevant on the market: Metropolitan Life Romania (MLR, Sales policy 2020).

Although they are aware of the risk they are exposed to daily, some clients do not see insurance as an opportunity to deal financially with events that may take them by surprise at any time. The level of financial culture in Romania is low, still in the process of development, which was and still is affected by the "financial cannons" of the 2000's, which created a certain state of mistrust in some financial instruments. The perception of potential clients is influenced by the consultant's ability to persuade and his ability to create a clear image of the client's real needs. The lack of practical, concrete, and correct information on the role of insurance in their lives often leads to decisions that they regret when unforeseen events occur. The superficiality in analyzing the cost-benefit ratio is another side of not completing the sales process, the costs being considered palpable and concrete, while the benefits are considered only hypothetical.

The health crisis and the state of the Romanian medical system accentuated the clients' fear regarding the hospitalization, and the economic instability led to an increase of the clients' unavailability regarding some expenses. Although personal savings

grew during the pandemic due to reduced spending on food, clothing, footwear, transportation and especially holidays, customer behavior also became more cautious about spending due to uncertainty about the duration of the health crisis, as discussed in MLR during emergency training for consultants.

There is also a segment of worried customers, people concerned about financial security in extreme situations, the statistics providing enough examples that the risk does not consider age, occupation, or health. This segment not only took out insurance, but, if it already had existing policies, decided to update its benefits according to the situation. There is also a segment that obtains information from former customers of insurance companies, who have formed some expectations, but were disappointed by the level of benefits received, given that they did not understand exactly all aspects at the time of contracting, they manifested a dose of panic at critical moments and acted under momentary impulse. This segment is the one whose main objection is distrust in insurance, citing the lack of time needed for discussions.

The most used objection was the postponement of the decision to contract a policy, a decision influenced by the fear of insecurity of the economic situation. With the economic recovery, the behavior of this type of client has undergone a change in a positive direction.

Many clients avoided face-to-face meetings with consultants during the pandemic, preferring remote ones for health precautions, as shown by analysts and the global media (Somers, 2020; Hill, 2021, Diebner et al., 2020). Online communication, however, has proven its limitations, almost completely excluding non-verbal or gestural communication, important components of the persuasion process. After returning to normal, online communication can be used depending on the wishes and availability of customers. It will be the solution in the case of remote customers, increasing the selection area of those interested.

Insurance companies, as well as other economic agents, had to adapt to the situation and introduced procedures for carrying out the sale process exclusively online and correlated the benefits of the new social conditions. The present paper is based on the author's own experience as a financial consultant in an insurance company, supplemented with the opinions shared by consultants in a Timisoara-based branch of MLR, aiming to highlight the perceptions of the financial consultants on the experience of online work in the three semesters of 2020 stricken by the pandemic. After developing skills pertaining to face-to-face interaction in their professional life, these consultants had to switch to remote interactions exclusively. 2021 debuted with a partial return to face-to-face interactions, but only for some segments of the insurance sales process. Therefore, the digitally facilitated communication is here to stay. How much of the sales process will remain an online one, and how much will be retained as a physical presence event is still difficult to predict.

## **2. Research method**

In order to highlight the aspects that occurred during the pandemic in the behavior of clients and potential clients of a life, health and private pension insurance company, we used the method of the Google forms questionnaire, which was applied to a group of 27 consultants of different age, sex and experience, which were able to compare customer behavior, before and after the pandemic. 15 forms were filled in by respondents, under the condition of maintaining their anonymity in sharing their reflections on the topic. The research was conducted between May 1<sup>st</sup> and 15<sup>th</sup>, 2021 in a Timisoara-based branch of Metropolitan Life Romania.

## **3. Results and discussion**

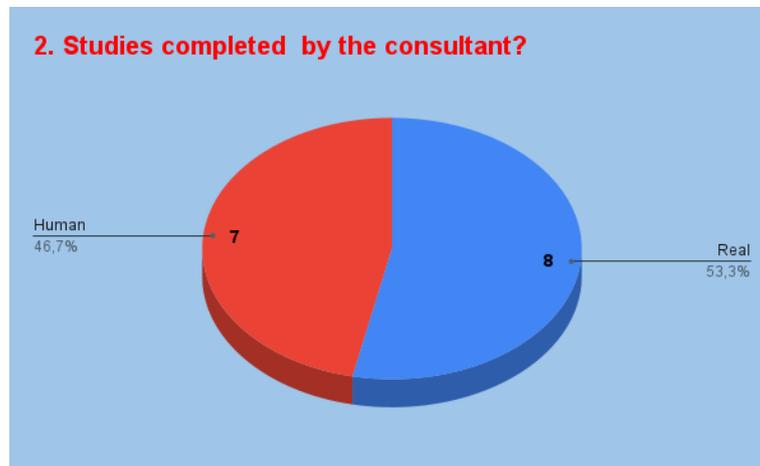
The results present first the profile of the respondents in terms of work experience and studies, then the paper presents the digital

tools employed for acquiring new insurance contracts and the last section is dedicated to the presentation of the insurers' reflections on their activity in the conditions pertaining to the pandemic-related restrictions, with an emphasis on their perceptions regarding the behavior of the clients, the efficiency of contacts, leading to signing new contracts and a foresight regarding the post-pandemic future in the insurance business.

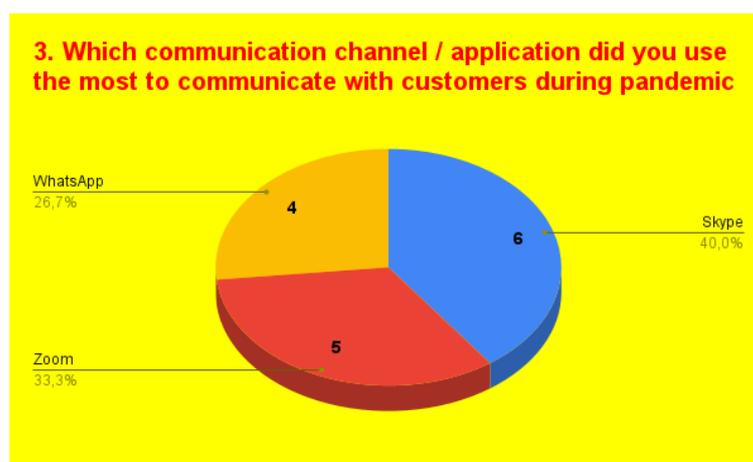
We divided the respondents into groups of 5 years of experience in the consulting activity, the majority of 46.7 % being in the period 0-5 years. A percentage of 20 % were in the range of 11-15 years, while an identical percentage of 13.3 % were in the range of 6-10 years, respectively 16-20 years. The percentage related to the experience of over 20 years is the lowest, being 6.7 %.



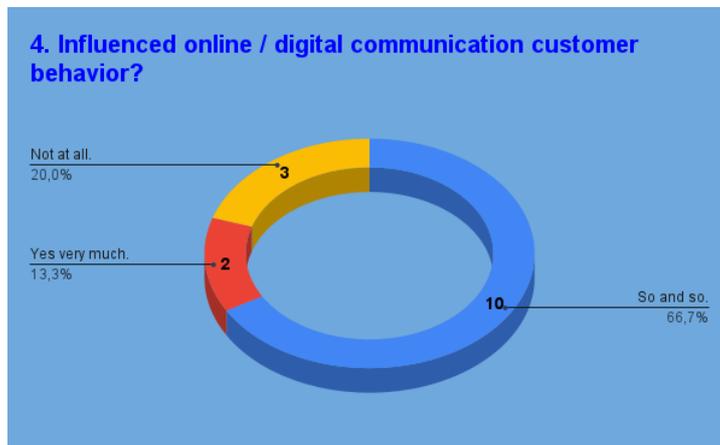
We compared the specifics of the respondents' studies and found that most respondents graduated from real studies (53.3%), compared to those who graduated from human studies (46.7 %), as we might be tempted to expect. This leads to the conclusion that persuasive communication is more about personal skills than specific professional training.



One of the most important changes during the pandemic was the transition from face-to-face activity to "work from home" and the emergence of online meetings. The development of the Internet has led to the emergence of several means of distance communication, applications designed to facilitate access to information. Several platforms have been developed, such as Skype, Zoom, **Whatsapp**, Google meet, Cisco Webex meet, Jitsi meet, etc. The subjects chose according to the clients' preferences. The most used application for online meetings was Skype (40 %), followed by Zoom (33.3 %) and **Whatsapp** (26.7 %). The other applications were used rarely or not at all.



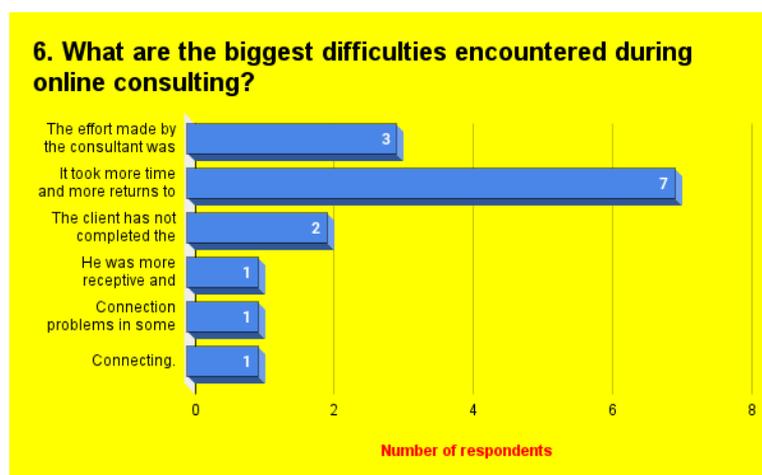
The vast majority of respondents (66.7 %) considered that there were no dramatic changes in customer behavior, online communication not being perceived as a major inconvenience for 20 %. Only 13.3 % of respondents claimed that their relationship with customers was strongly influenced by the emergence of online communication.



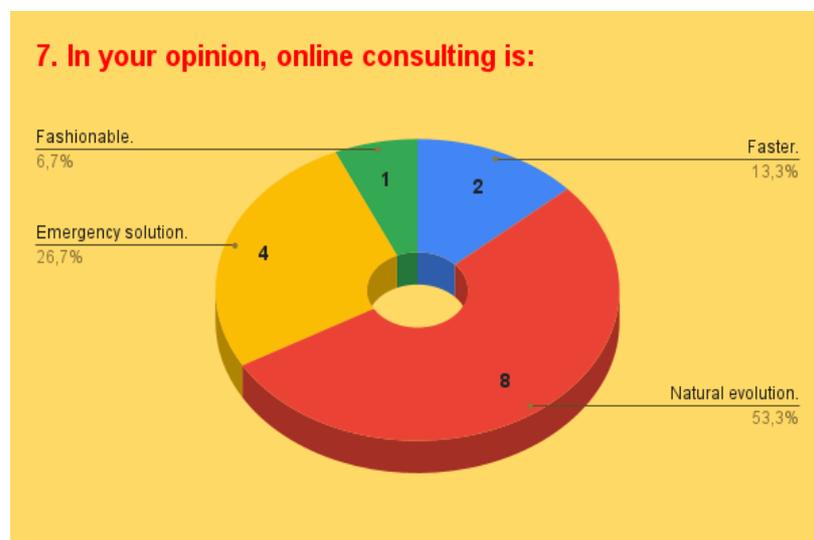
And the attitude of customers towards the introduction of online consulting was appreciated by most respondents as a positive, beneficial (66.7 %), while 33.3 % considered the attitude of customers towards online consulting as a neutral one. Absolutely no respondents mentioned the negative attitude of rejecting online consulting.



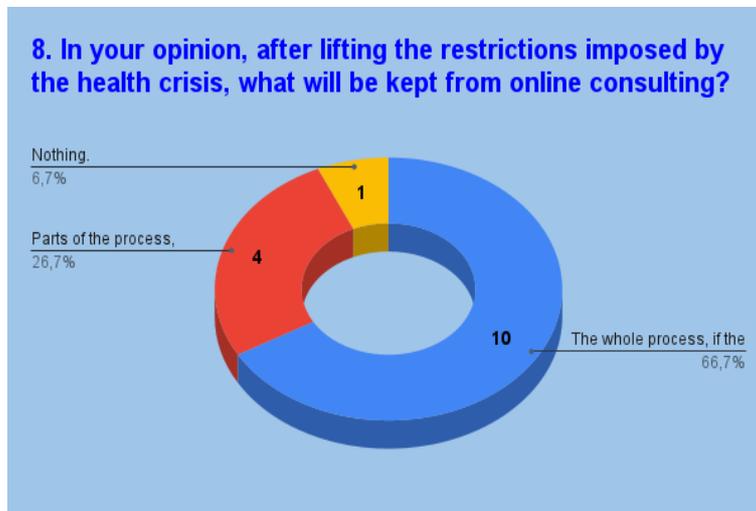
The consultants encountered a series of difficulties in the relationship with the clients, some of them being induced exactly by the online communication. In online communication it is more difficult to maintain the customer's attention and focus on the topic of discussion, which leads to a possible incorrect or insufficient perception of the information provided and thus to the difficulty of completing the sales process. The client can be easily distracted by various activities that take place around him. This behavior can lead to the prolongation of the discussion, which is at one time another impediment, namely the boredom of the client. The consultant's effort to maintain the client's attention and focus on the discussion is much greater. During the discussion, a major impediment may appear, namely the technical problems regarding its connection or interruption in the middle of the discussion. Most consultants (46.7 %) appreciated that they had to devote much more time to consulting and that they needed more returns to complete the process during the pandemic. In the same "key", 20 % considered that their effort was greater online than in the case of face-to-face discussion. An important percentage (13.3 %) considered that due to the online consulting process, the clients did not complete the contracting.



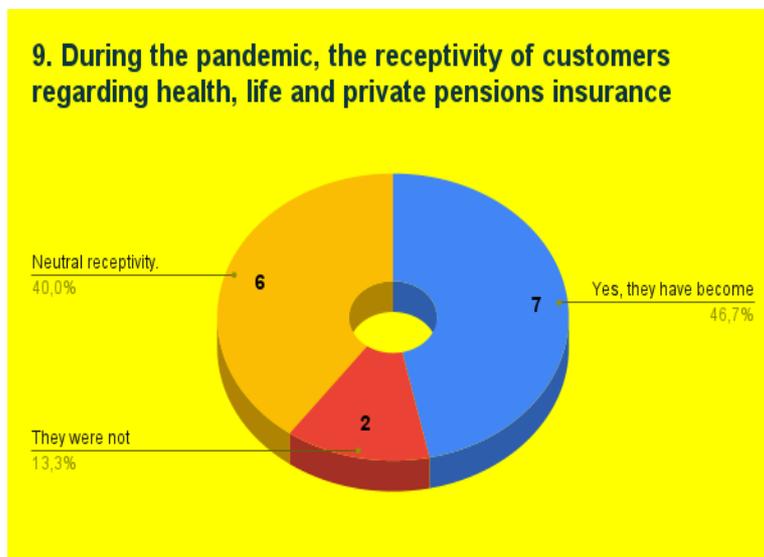
Respondents consider, in an overwhelming proportion (53.3 %), that an online consultancy is part of a natural evolution of modern communication. Others (26.7 %) consider online consulting more of an emergency solution, caused by the pandemic. However, a significant percentage (13.3 %) appreciate the increased speed provided by online communication.



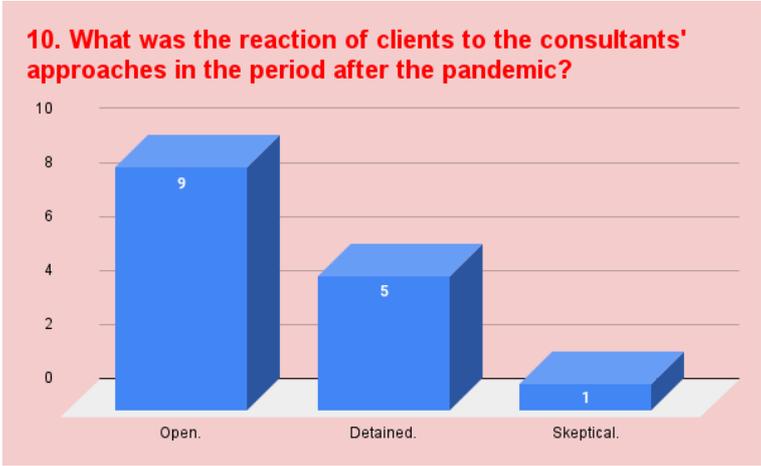
After returning to normal, it is interesting to what extent the online consulting of the respondents in the relationship with the clients will be used. A percentage of 66.7 % of them believe that they will keep the whole process online, if customers want it, while 26.7 % believe that they will use only parts of the process, depending on customer availability. Only 6.7 % of respondents believe that they will not resort to the online communication process after lifting the restrictions imposed by the health crisis.



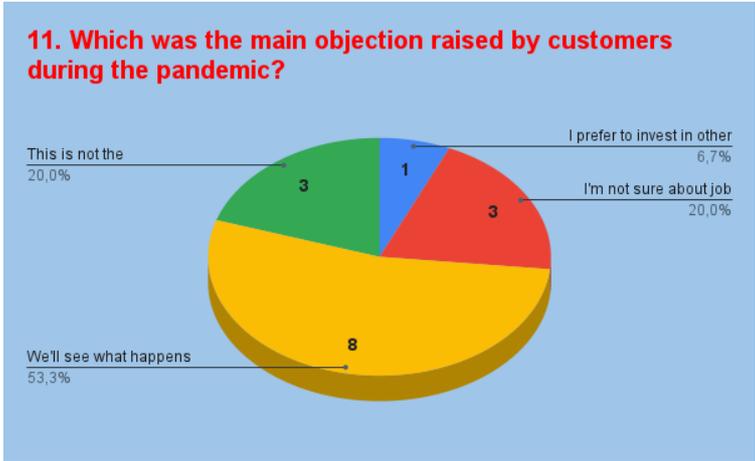
Customer receptivity increased to 46.7 % of them, another 40 % considering customer receptivity neutral, and 13.3% not being influenced at all in this regard.



A percentage of 60 % of the respondents showed an open attitude towards the consultants' approaches, 33.3 % a reserved attitude, only 6.7 % being skeptical about the online approach.

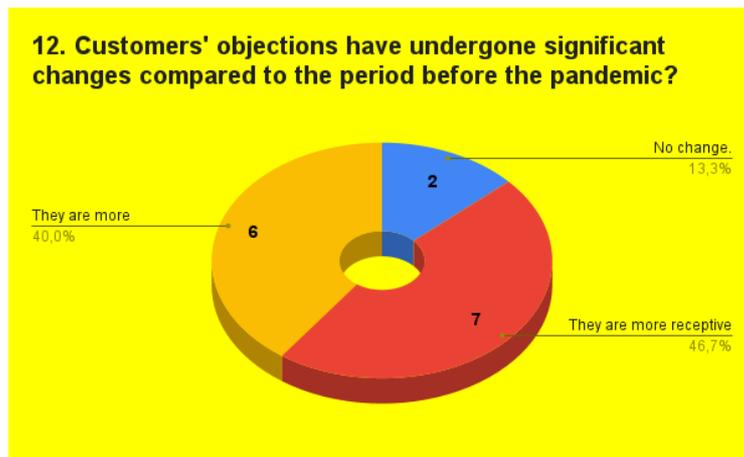


Also, customer objections have undergone some changes. The main reason given by customers (53.3 %) was that they want to wait to see the evolution of the situation before making a decision. An identical percentage of 20 % consider that either it is not the right time to sign a policy, or they are held back by job instability. Only 6.7 % prefer to invest their money in other fields of activity.

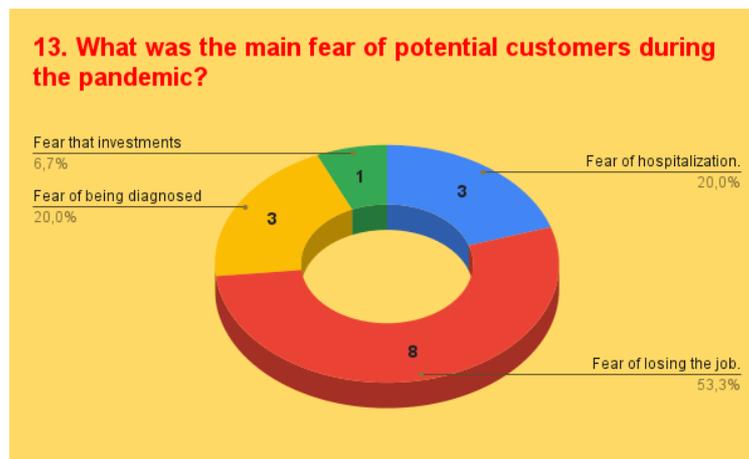


46.7 % of clients have become more receptive to financial protection of health, the focus falling on hospitalization days,

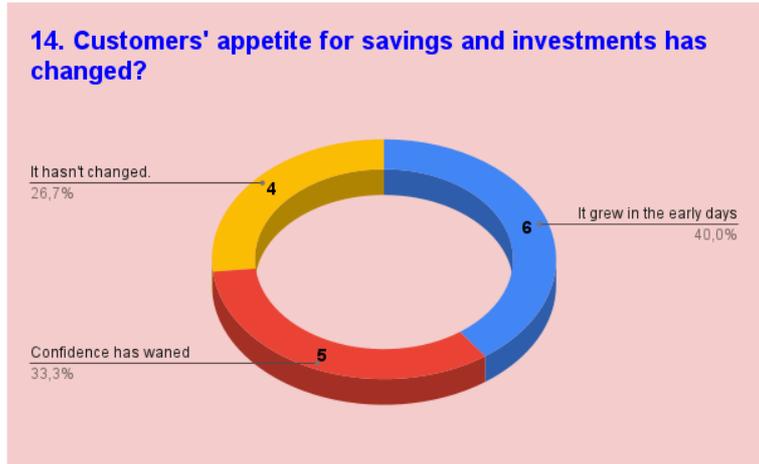
including ICU, 40 % are more restrained on health insurance and 13.3 % do not show any change in attitude towards health insurance.



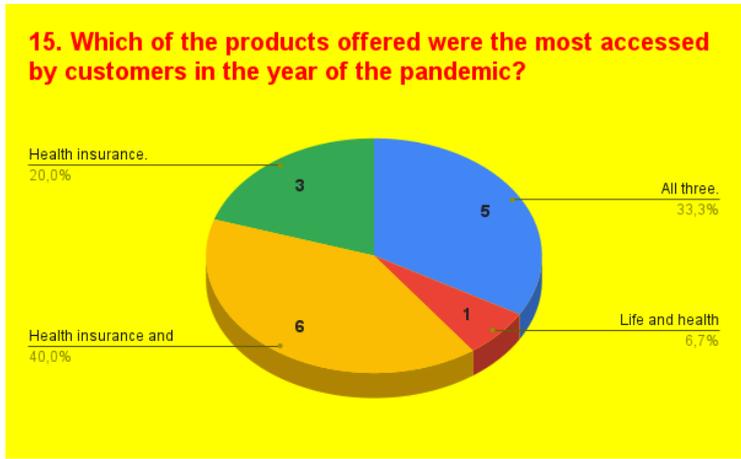
The main fear of customers was the possibility of losing their job (53.3 %). Followed by an identical percentage of 20 %, the fear of hospitalization and diagnosis of a serious illness, respectively 6.7 % fear that their investments could fail.



The appetite for saving increased to 40 % of customers, did not change at all compared to the previous period for 26.7 % of customers, and decreased for 33.3 %.

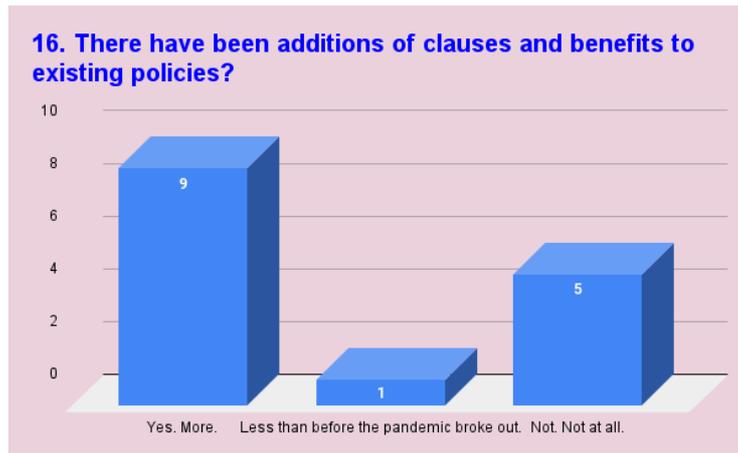


Of the three categories of insurance, life, health, or private pensions, the most accessed by customers were health insurance and private pensions, in a percentage of 40 %, followed by all three types, with 33.3 %, respectively exclusively health insurance, by 20 %. Life and health insurance were accessed by 6.7 % of customers.

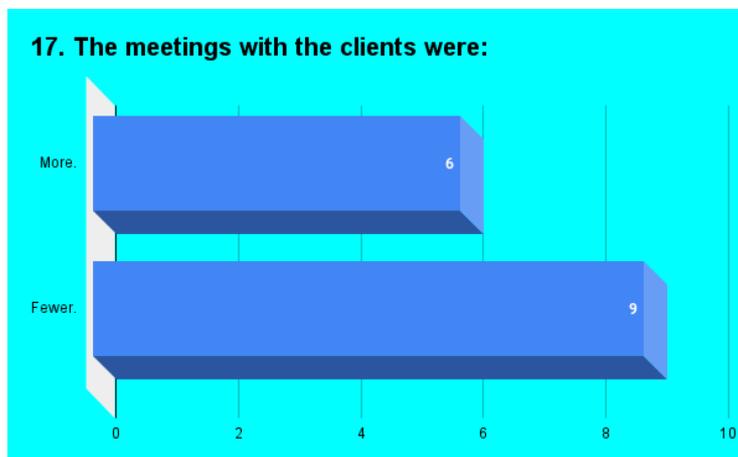


We found out that the vast majority of existing policies (60 %) added additional benefits or updated existing benefits. Only in 6.7 % of cases, customers reduced the number of benefits existing before the outbreak of the pandemic, and in 33.3 % of cases the benefits of

policies remained at the level established before the outbreak of the health crisis.



The effort of the consultants increased, as did the number of meetings with clients (60 %), with only 40 % of respondents accounting for fewer meetings than before the pandemic.



### Conclusion

Overall, the group of respondents shared the opinion that, although difficult, online interaction allowed for the sales process to take

place. Potential customers could be lost during the persuasion process, a longer time was necessary to complete the sales, but the insurance business was not... out of business. In the digital age, at least part of the sales process will remain online, some customers declaring that they were satisfied with the timing, convenience, and procedures of (habitual) digital interactions. It can be intuitively stated that the digital skills exercised by customers and consultants alike in other spheres of activity had a strong impact on the development and success of the consultancy activity, but this study did not investigate such aspects and therefore it cannot speculate on the topic. The author of this study recognizes also limitations of the work, since the opinions are collected in a small pool of respondents and might not reflect the "big picture" of the activity in the consultancy business.

### **Webography**

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