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Frank Gerwald, M.Sc.

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FAKULTA PODNIKOVÉHO MANAŽMENTU

REPUTATION MANAGEMENT AS THE BASIS FOR
SUSTAINABLE CUSTOMER RELATIONSHIPS IN
THE INSURANCE INDUSTRY

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Školiteľ:	Dr. h. c. doc. PhDr. Peter Dorčák, PhD., MSc., DBA



THESIS ASSIGNMENT

Name and Surname: MSc. Frank Gerwald
Study programme: Business Economics and Management (Single degree study, Ph.D. (philosophy) III. deg., part time form)
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Goal: The aim of this thesis is to identify and prioritize factors that determine the reputation of in-surance companies in Germany and Slovakia. In order to ensure that reputation measures taken by the insurer lead to successful results and to model possible courses of action, the perspectives of both the companies and the customers are examined.

Annotation: After gaining an overview of the state of the problem through a systematic literature search in research phase I, the perspective of the insurers was examined in research phase II. For this purpose, twelve semi-structured expert interviews were conducted with executives from the insurance industry, which were evaluated qualitatively. Subsequently, in research phase III, the perspective of customers was examined by means of an online survey, which was an-swered by 224 insurance customers in Germany and Slovakia. The quantitative evaluation of the results was carried out by applying exploratory and confirmatory factor analysis.

The most important factors for the formation of a positive reputation were identified as the speed of feedback and processing, also as well-trained and motivated staff. The research has shown that in the insurance industry, different factors often determine reputation compared to other industries. For example, the earnings and financial strength of insurers are more im-portant to customers than their presence on social media, while the perception of social responsibility is more of a hygiene factor. Based on the results of the study, a 10-point plan was developed, which provides insurers with a basis for reputation management in order to eliminate possible reputation risks in advance and prevent reputational loss.

Tutor: doc. PhDr. Peter Dorčák, PhD.
Opponent: doc. Ing. Roman Lacko, PhD.
Opponent: Dr. h. c. prof. Ing. Peter Markovič, PhD., DBA
Opponent: Prof. Volker Eickenberg, PhD., DBA
Department: KPF FPM - Department of Business Finance
Assigned: 01.09.2019

Approved: 15.04.2019

prof. Ing. Štefan Majtán, PhD.
Head of the Scientific Board

Affidavit

In lieu of oath, I hereby declare that I have written the present dissertation independently and without the use of other sources than the indicated aid sources. All passages taken literally or mutatis mutandis from published writings are marked as such. The dissertation has not yet been submitted in Germany or in another country in the submitted or similar form in a procedure for obtaining an academic degree.

In lieu of oath, I assure you that I have made the aforementioned information to the best of my knowledge and conscience and that the statements are true and that I have not concealed anything.

Düsseldorf, July 2023

Frank Gerwald

Abstrakt

GERWALD, F.: *Riadenie reputácie ako základ pre udržateľné vzťahy so zákazníkmi v poisťovníctve*. [Dizertačný práca] Ekonomická univerzita v Bratislave. Fakulta podnikového manažmentu. Katedra podnikových financií. Školiteľ: Dr. h. c. doc. PhDr. Peter Dorčák, PhD., MSc., DBA. Stupeň odbornej kvalifikácie: PhD. Bratislava: FPM EU v Bratislave, 2023, 127 s.

Budovanie dobrej povesti často trvá mnoho rokov, ale zároveň ju možno natrvalo zničiť v priebehu niekoľkých minút. Cieľom tejto práce je identifikovať a zvážiť faktory, ktoré určujú reputáciu poisťovní v Nemecku a na Slovensku. Aby opatrenia prijaté poisťovňou na zlepšenie reputácie viedli k úspešným výsledkom a aby sa modelovali možné smery postupu, skúmajú sa názory spoločností aj zákazníkov. Po systematickom prehľade literatúry, v prvej fáze výskumu, ktorý poskytol prehľad o súčasnom stave výskumu danej problematiky, sa druhá fáza výskumu zamerala na pohľad poisťovateľa. Na tento účel sa uskutočnilo dvanásť pološtruktúrovaných expertných rozhovorov s manažérmi z poisťovníctva, ktoré sa kvalitatívne analyzovali. Následne sa v tretej výskumnej fáze osvetlila perspektíva zákazníkov, ktorí sú príkladom pre množstvo zainteresovaných strán, a to prostredníctvom online prieskumu, na ktorý odpovedalo 224 zákazníkov poisťovní v Nemecku a na Slovensku. Kvantitatívne vyhodnotenie výsledkov sa uskutočnilo použitím exploračnej a konfirmačnej faktorovej analýzy.

Za najdôležitejšie faktory formovania pozitívnej reputácie boli určené rýchlosť spätnej väzby a spracovania, ako aj dobre vyškolený a motivovaný personál. Výskum ukázal, že v poisťovníctve je reputácia čiastočne určovaná inými faktormi ako v iných odvetviach. Napríklad príjmy a finančná sila poisťovní sú pre zákazníkov dôležitejšie ako ich prítomnosť v sociálnych médiách, zatiaľ čo vnímanie spoločenskej zodpovednosti býva skôr hygienickým faktorom. Na základe výsledkov štúdie bol vypracovaný 10-bodový plán, ktorý poskytuje poisťovateľom základ pre zavedenie reputačného manažmentu tak, aby bolo možné vopred eliminovať potenciálne reputačné riziká a aby nedošlo k strate reputácie v prvom rade.

Práca je 127 stranách, rozdelená do 5 kapitol, skladá sa z 13 obrázkov a 42 tabuliek.

Kľúčové slová: CRM; lojalita zákazníkov; reputácia; riadenie reputácie; poistenie

Abstrakt

GERWALD, F.: *Reputationsmanagement als Grundlage für nachhaltige Kundenbeziehungen in der Versicherungswirtschaft* [Dissertation]. Wirtschaftsuniversität in Bratislava. Fakultät für Betriebsmanagement. Lehrstuhl für Betriebsfinanzen. Betreuer: Dr. h. c. Doz. PhDr. Peter Dorčák, PhD., MSc., DBA. Abschluss: PhD. Bratislava: FBM WU in Bratislava, 2023, 127 S.

Der Aufbau einer guten Reputation dauert oft viele Jahre, gleichzeitig kann sie aber in nur wenigen Minuten dauerhaft zerstört werden. Das Ziel dieser Arbeit liegt in der Identifizierung und Gewichtung von Faktoren, die die Reputation von Versicherungsunternehmen in Deutschland und der Slowakei bestimmen. Um sicherzustellen, dass die vom Versicherer getroffenen Reputationsmaßnahmen zu erfolgreichen Ergebnissen führen, und um Handlungsmöglichkeiten zu modellieren, werden dabei sowohl die Sichtweisen der Unternehmen als auch die der Kunden untersucht. Nachdem in der Forschungsphase I durch eine systematische Literaturrecherche ein Überblick über den Stand der Forschung zur Problematik gewonnen wurde, folgte in der Forschungsphase II eine Betrachtung der Sichtweise der Versicherer. Hierzu wurden zwölf halbstrukturierte Experteninterviews mit Führungskräften aus der Versicherungsbranche geführt, die qualitativ ausgewertet wurden. Nachfolgend wurde in der Forschungsphase III die Sichtweise der Kunden, die exemplarisch für die Vielzahl der Stakeholder stehen, durch eine Onlineumfrage beleuchtet, die von 224 Versicherungskunden in Deutschland und der Slowakei beantwortet wurde. Die quantitative Auswertung der Ergebnisse erfolgte durch Anwendung der explorativen und der konfirmatorischen Faktoranalyse.

Als bedeutendste Faktoren für die Bildung einer positiven Reputation wurden die Schnelligkeit bei Rückmeldungen und Bearbeitungen sowie gut ausgebildetes und motiviertes Personal ermittelt. Die Forschung hat gezeigt, dass in der Versicherungsbranche teilweise andere Faktoren über Reputation entscheiden als in den übrigen Branchen. So ist die Ertrags- und Finanzkraft der Versicherer für die Kunden relevanter als der Auftritt in den sozialen Medien, die Wahrnehmung der sozialen Verantwortung hingegen ist tendenziell ein Hygienefaktor. Aus den Ergebnissen der Untersuchung wurde ein 10-Punkte-Plan entwickelt, der den Versicherern eine Grundlage beim Aufbau eines Reputationsmanagements bietet, damit im Vorfeld mögliche Reputationsrisiken eliminiert werden können und es gar nicht erst zu einem Reputationsverlust kommt.

Die Arbeit teilt sich auf 127 Seiten in 5 Kapitel, beinhaltet 13 Abbildungen und 42 Tabellen.

Schlüsselworte: CRM; Kundenbindung; Reputation; Reputationsmanagement; Versicherung

Abstract

GERWALD, F.: *Reputation Management as a Basis for Sustainable Customer Relations in the Insurance Industry* [Dissertation]. University of Economics in Bratislava. Faculty of Business Management. Department for Corporate Finance. Doctoral Advisor: Dr. h. c. Assoc. Prof. PhDr. Peter Dorčák, PhD., MSc., DBA. Graduated to: PhD. Bratislava: FBM UE in Bratislava, 2023, 127 pp.

The establishment of a good reputation often takes many years, but it can also be permanently destroyed in just a few minutes. The aim of this thesis is to identify and prioritize factors that determine the reputation of insurance companies in Germany and Slovakia. In order to ensure that reputation measures taken by the insurer lead to successful results and to model possible courses of action, the perspectives of both the companies and the customers are examined. After gaining an overview of the state of the problem through a systematic literature search in research phase I, the perspective of the insurers was examined in research phase II. For this purpose, twelve semi-structured expert interviews were conducted with executives from the insurance industry, which were evaluated qualitatively. Subsequently, in research phase III, the perspective of customers was examined by means of an online survey, which was answered by 224 insurance customers in Germany and Slovakia. The quantitative evaluation of the results was carried out by applying exploratory and confirmatory factor analysis.

The most important factors for the formation of a positive reputation were identified as the speed of feedback and processing, also as well-trained and motivated staff. The research has shown that in the insurance industry, different factors often determine reputation compared to other industries. For example, the earnings and financial strength of insurers are more important to customers than their presence on social media, while the perception of social responsibility is more of a hygiene factor. Based on the results of the study, a 10-point plan was developed, which provides insurers with a basis for reputation management in order to eliminate possible reputation risks in advance and prevent reputational loss.

The thesis with 127 pages is divided into 5 chapters, including 13 figures and 42 tables.

Key Words: CRM; customer loyalty; reputation; reputation management; insurance

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List of abbreviations

BaFin	Federal Financial Supervisory Authority
CRM	Customer Relationship Management
CSR	Corporate social responsibility
ESG	Environmental, Social and Governance
FAQS	Frequently Asked Questions
KMO	Kaiser-Meyer-Olkin-Measure

Introduction

“It takes 20 years to develop a good reputation, and five minutes to ruin it. If you think about that, you`ll do things differently.”

(Warren Buffet)

Building a good reputation is an undertaking that must be understood as a long-term investment. Companies with a positive reputation are assumed by stakeholders to be above-average performance. At the same time, the strategic competitive position is improving, making it easier for the company to make higher profits, consolidate customer and supplier loyalty, and reduce transaction costs. A high reputation also reduces the incidence of crises and economic fluctuations.

As valuable as a positive reputation for the company is, it is fragile. A long-term reputation can be destroyed within a few moments and reversed. After the destruction of a previously good reputation, a recovery of the good values is only possible in the long term and with great effort. In order not to get that far, a targeted reputation management on the part of the company is needed.

For a company to manage its reputation in a targeted manner, it must first determine which factors have any influence on the perceived performance at all. Because massive investments in reputation-building measures are only amortized if the management of the company assesses the relevance of the individual factors in the same way as the stakeholders.

The discussion on reputation management gains additional momentum due to the advancing digitalization. The influence of customer reviews on online portals and social media is steadily increasing, as the user gets their say on many platforms. User reviews are of high importance as their opinions are considered neutral by other users. Reputation is also formed online, and companies need to find a way to monitor and analyze their customers' online feedback.

1 Current state of the problem

A company's reputation among its stakeholders is a valuable asset and one of its most valuable success factors.¹ From the stakeholder perspective, the reputation of a company provides an assessment basis for the estimation of the company's contribution to its own and the common good.² Specific performance characteristics of individual companies are increasingly easier and faster copied by competitors, while the reputation as intangible value is difficult to take over by competitors.³

1.1 Demarcation of reputation from other concepts

In order to approach the topic of reputation from different sides, it is necessary to cleanly separate the terms reputation, identity and image. The demarcations made in the following chapter serve as the basis for further investigations in the framework of this work.

1.1.1 Reputation

In the literature there is a wide range of research into the question of what exactly reputation is. The consensus of all descriptions is that the reputation as an intangible enterprise value is an extremely fragile element that any organization has at its disposal. A company's positive reputation has an impact on many areas of the business environment. It helps to ensure that the company is valued, respected, and perceived positively by customers, investors, suppliers, and employees.⁴ At the same time, a high reputation reduces vulnerability to economic crises such as the 2008 financial crisis. The sharpening of the company profile makes it easier for companies to stand out from the competition in the perception of customers and create unique selling points.⁵

The battle for young talents has long begun in the insurance industry. In the choice of employer, in addition to the question of remuneration, the reputation of the company is increasingly a decisive criterion. For employees, the pride in the company, the work carried

¹ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Corporate Reputation of Family-Owned Businesses: Parent Companies vs. Their Brands. 2021, p. 1.

² HELM, Sabrina. Unternehmensreputation und Stakeholder-Loyalität. 2007, p. 1.

³ KIRSTEIN, Sandra. Unternehmensreputation. 2009, p. 3.

⁴ FAROOQ, Omar. Corporate Reputation And Analyst Coverage: Evidence From Europe. 2016, p. 1302.; FEARNLEY, Matt. Corporate Reputation: The Wasted Asset. 1993, p. 4.

⁵ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 1.

out there and the company's values are an essential element of self-expression.⁶ The recruitment of well-qualified and motivated employees increases business results and brand value in the medium term.⁷

In scientific literature, there are differentiated approaches to the definition of reputation. In the early 1990s, various authors formulated their different definition approaches. Thus, Hall described that in his view, the emotions and knowledge of individuals determine the reputation of companies.⁸ For Dozier, reputation arises on the one hand from the immediate experience of the stakeholders, but also from a continuous communication process.⁹ Thus, while Hall and Dozier use both affective and cognitive perspectives to define reputation, Fombrun is limited to a primarily affective perspective.¹⁰ A few years later, he published his approach, according to which reputation is the overall assessment of a company by its stakeholders, which is composed of all the affective reactions of customers, investors, employees and the public.¹¹ A different approach to the definition, however, see Gray and Balmer. For them, the reputation of companies is more of a valuation of company characteristics.¹² This view does not consider the affective components but focuses on the conscious perception of the stakeholders.

Cannon and Schwaiger also designed a two-dimensional view of the company's reputation in 2004. They label the two constructs with the terms sympathy and competence. With sympathy, they describe the degree to which people see a company as sensitized to non-profit issues. Competence stands for the degree to which the company is able to produce high-quality products and services, thus operating a stable and profitable business.¹³

⁶ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 3.

⁷ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 2-3.

⁸ HALL, Richard. The strategic analysis of intangible resources. 1992, p. 138.

⁹ DOZIER, David M. Image, Reputation and Mass Communication Effects. 1993, p. 230.

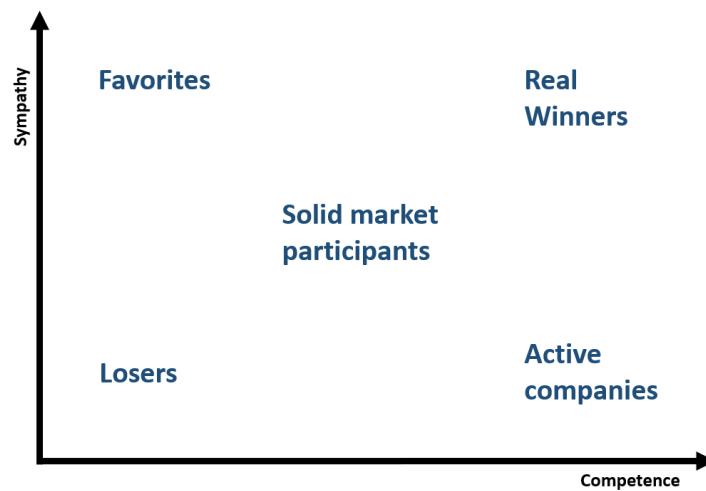
¹⁰ KIRSTEIN, Sandra. Unternehmensreputation. 2009, p. 31.

¹¹ FOMBRUN, Charles J. Reputation: Realizing value from the corporate image. 1996, p. 37.

¹² GRAY, Edmund R.; BALMER, John M. T. Managing Corporate Image and Corporate Reputation. 1998, pp. 696-697.

¹³ CANNON, Hugh M.; SCHWAIGER, Manfred. Accounting for Company Reputation: Variations on the Gold Standard. 2004, p. 301.

Figure 1: Classification of corporate reputation



Source: Own presentation based on: Cannon H. – Schwaiger, M. 2004, Accounting for Company Reputation, p. 301.

With this view, Cannon and Schwaiger link to the presentations of Dozier and Hall, who also consider the affective and cognitive perspectives. Even with high research and development budgets, it is increasingly difficult for the insurance industry to achieve high profit margins through product differentiation strategies and market segmentation. As soon as an insurer identifies and fills out a market gap, the competition copies the idea and reinforces the displacement competition. With increasingly similar portfolios of companies, the reputation is therefore becoming increasingly important.¹⁴

To ensure a scientifically clean description of the concept of reputation, the concept of reputation must be distinguished from the concepts of identity and image.¹⁵ The identity is based on the corporate culture and arises from the inside of the company. It consists of current practices, company history, corporate values, and behavior.¹⁶ Walker also draws on the stakeholder's point of view to distinguish between them. While corporate identity is an

¹⁴ CANNON, Hugh M.; SCHWAIGER, Manfred. Accounting for Company Reputation: Variations on the Gold Standard. 2004, p. 301.; TERNES, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 2.

¹⁵ BARNETT, Michael L.; JERMIER, John M.; LAFFERTY, Barbara A. Corporate Reputation: The Definitional Landscape. 2006, p. 33.

¹⁶ MELEWAR, T. C.; KARAOSMANOGLU, Elif; PATERSON, Douglas. Corporate identity: concept, components and contribution. 2005, pp. 73-74.

internal view (what do we think we are?), the corporate image is an external view (what do we want, how others see us?).¹⁷

Reputation is understood as a collective term that refers to the view of all stakeholders on corporate reputation, including identity and image.¹⁸ Partial considerations of corporate reputation can be found in psychology, sociology, philosophy, economics, marketing and other fields of science.¹⁹ From a sociological point of view, Fombrun and van Riel (1997) describe the corporate reputation as an aggregated assessment of the performance of companies in relation to the expectations and norms of stakeholders in an institutional field.²⁰

When assessing reputation, account must be taken of cultural and institutional differences that affect the reputation of companies. Looking at the reputation of companies, for example, can deliver different results for the same company between the US and Europe.²¹ The assessments and requirements of stakeholders are strongly influenced by their experiences and cognitive attitudes.²² Corporate reputation goes beyond mere image formation through individual public relations actions. Reputation must be earned by various stakeholder groups. To become visible and unmistakable as a company, stakeholder relationships must be given top priority in the creation of services.²³

1.1.2 Identity

Corporate identity is one of the fundamental pillars and essential part of the corporate strategy. The term describes the way a company presents itself through its individual elements. All elements together provide a single, comprehensive picture of the entire

¹⁷ WALKER, Kent. A Systematic Review of the Corporate Reputation Literature: Definition, Measurement, and Theory. 2010, pp. 357-387.

¹⁸ DAVIES, G.; CHUN, R.; DA SILVA, R. V.; ROPER, S. The Personification Metaphor as a Measurement Approach for Corporate Reputation. 2001, p. 114.

¹⁹ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Corporate Reputation of Family-Owned Businesses: Parent Companies vs. Their Brands. 2021, p. 1.

²⁰ FOMBRUN, Charles. J.; VAN RIEL, Cees. The Reputational Landscape. 1997, p. 6.

²¹ GARDBERG, Naomi A.; FOMBRUN, Charles J. USA: For Better or Worse — The Most Visible American Corporate Reputations. 2002, p. 391.; TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 5.

²² ABDULLAH, Zulhamri. Beyond Corporate Image: Projecting International Reputation Management as a New Theoretical Approach in a Transitional Country. 2009, p. 171.

²³ ABDULLAH, Zulhamri; ABDUL AZIZ, Yuhanis. Managing Corporate Reputation, Stakeholder Relations, and Corporate Social Responsibility: A Southeast Asian Perspective. 2011, p. 313.

functioning and highlight the uniqueness of the company and its specific characteristics.²⁴ Corporate identity includes the company's history, philosophy, vision, and people belonging to a company. Equally, the ethical values and the visual appearance of the company belong to this overall picture. All of this is meant to show what a company is or what it wants to be.²⁵ The identity describes the employees' view of the company and therefore differs from terms such as corporate design or logo.²⁶

Flint et al. describe corporate identity as a complex construct that may involve several dimensions of congruence. As a result, top management is permanently required to check what exactly constitutes the identity of the company in order to compare it with what is signaled to the other stakeholders.²⁷ However, the creation of identity is not only reserved for management, but must be accompanied by the identification of employees with their company.²⁸ As a hierarchical construct, the corporate identity is also seen by Melewar, for which it includes a mixture of the elements that make an organization distinctive.²⁹

By defining principles, guiding principles and values, the entire company is given a better orientation and a common basis on which to work. This self-perception of a company is the basis for all decisions and acts both internally and externally. Identification with corporate values helps to create a distinctive profile and serves as a point of reference in everyday business.³⁰

1.1.3 Image

In contrast to identity, image does not matter how the company wants to represent itself or perceives itself, but rather how the public sees the company and how it perceives it on the emotional level.³¹ The terms image and reputation differ in that an image arises from the fact that an outside observer forming a picture of something. According to Ternés and

²⁴ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 54.

²⁵ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, pp. 54-55.

²⁶ DAVIES, G.; CHUN, R.; DA SILVA, R. V.; ROPER, S. The Personification Metaphor as a Measurement Approach for Corporate Reputation. 2001, p. 114.

²⁷ FLINT, Daniel J.; SIGNORI, Paola; GOLICIC, Susan L. Corporate Identity Congruence: A meanings-based analysis. 2018, p. 80.

²⁸ TOURKY, Marwa; FOROUDI, Pantea; GUPTA, Suraksha; SHAALAN, Ahmed. Conceptualizing corporate identity in a dynamic environment. 2021, p. 113.

²⁹ MELEWAR, T. C. Determinants of the corporate identity construct: a review of the literature. 2003, pp. 195-220.

³⁰ REGENTHAL, Gerhard. Ganzheitliche Corporate Identity. 2009, p. 5.

³¹ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 55.

Runge, on the other hand, Reputation is an aggregation of these images to an absolute value, which determines the perceived quality and ultimately the success of sales.³²

Pollák et al. see the image as a public projection of identity.³³ A similar approach is taken by Davies et al., which understands by image the view of external stakeholders, especially customers. The customer view is also at the heart of the image for Mostafa et al., as it is assigned a decisive role for the company.³⁴ These definitions are in contrast to those definitions that equate image with employees' view of how external stakeholders might see the company.³⁵ Widely used in the literature is the view that the corporate image is the sum of the company-related beliefs, experiences, information and impressions that arise in the minds of the public.³⁶

1.1.4 Selected measurement approaches

The basis of reputation management is the measurement of reputation.³⁷ There are countless rankings around the world in which companies are evaluated and ranked according to a wide variety of criteria. As diverse as these lines are, they have in common that they can draw attention to the activities of companies and thus influence the appreciation of stakeholder groups and their behavior.³⁸ You can turn ordinary businesses into famous companies but can also ruin successful companies.³⁹

³² TERNÈS, Anabel; RUNGE, Christopher A. *Reputationsmanagement*. 2015, p. 5.

³³ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. *Reputation Management*, p. 55.

³⁴ MOSTAFA, Rania B.; LAGES, Cristiana R.; SHABBIR, Haseeb A.; Des Thwaites. *Corporate Image*. 2015, p. 470.

³⁵ DAVIES, G.; CHUN, R.; DA SILVA, R. V.; ROPER, S. *The Personification Metaphor as a Measurement Approach for Corporate Reputation*. 2001, p. 113.

³⁶ GÜRLEK, Mert; DÜZGÜN, Ertugrul; MEYDAN UYGUR, Selma. *How does corporate social responsibility create customer loyalty? The role of corporate image*. 2017, pp. 414-415.; DOWLING, Grahame R. *Developing your company image into a corporate asset*. 1993, p. 101.; WORCESTER, R. M. *Managing the image of your bank: the glue that binds*. 1997, pp. 147-148.

³⁷ GARDBERG, Naomi A.; FOMBRUN, Charles J. *The Global Reputation Quotient Project: First Steps Towards a Cross-Nationally Valid Measure of Corporate Reputation*. 2002, p. 303.

³⁸ FOMBRUN, Charles J. *List of Lists: A Compilation of International Corporate Reputation Ratings*. 2007, p. 145.

³⁹ RINDOVA, Violina P.; POLLOCK, Timothy G.; HAYWARD, Mathew L. A. *Celebrity Firms: The Social Construction Of Market Popularity*. 2006, p. 63.

In the literature, there are various approaches and views on which factors of reputation are to be captured for the most accurate measurement possible. In their studies and investigations, different authors focus on the weighting of variables. An overview of the measurement methods described in this chapter and the most used factors shows Table 1. This lack of consensus prevents benchmarking and thus comparison within an industry.

The simplest way to measure reputation is to count positive and negative reviews. The result is the difference between the two possibilities. This method is often used on online platforms where users share their experiences about completed transactions with the public. The greater the overweight of the positive over the negative reviews, the more positive the impact on the rated participant, which in turn has an impact on the likelihood of sales.⁴⁰

With the help of the AMAC study, Fortune Magazine has identified the most respected companies since 1983 and regularly surveys executives about the companies in their own industry. The study is based on eight criteria, which are classified on an eleven-stage scale.⁴¹ Initially, the study was limited to American companies, but was expanded by a variable in the second half of the 1990s and has since considered companies around the globe.⁴²

⁴⁰ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 64-65.

⁴¹ FRYXELL, Gerald E.; WANG, Jia. The Fortune Corporate 'Reputation' Index: Reputation for What? 1994, pp. 2-3.

⁴² KIRSTEIN, Sandra. Unternehmensreputation. 2009, pp. 63-64.; SCHWAIGER, Manfred. Components and Parameters of Corporate Reputation - An Empirical Study. 2004, p. 51.

Table 1: Selected measurement approaches for corporate reputation

Selected measurement approaches for corporate reputation				
Author	Study	Subjects	Criteria/Items	Variable
Fortune Magazin	AMAC-Studie	Management Boards Supervisory Boards Senior executives	Innovative strength General management quality Value as a long-term investment Responsibility in dealing with society and nature Ability to acquire, develop and retain talented young employees Quality of products and services Financial strength Responsible approach to corporate values	
Fortune Magazin	GMAC-Studie	Management Boards Supervisory Boards Senior executives	Same as AMAC study, but with the addition of the ability to occur globally.	
Manager Magazin	Gesamt-reputation	Management Boards Manager Managing directors	Customer orientation Product quality Management quality Innovative strength Price/performance ratio Communication performance Employee orientation Earnings and financial strength Internationalization Attractiveness for managers Growth dynamics Environmental orientation Independence	Supplementation by financial key figures
Harris/ Fombrun	Reputation Quotient	Representative group of stakeholders	Emotional appeal	Feels good Trust Admiration and respect
			Products and services	Quality Innovation Price/performance ratio
			Vision and leadership	Inspiring vision Leadership Clear values
			Working environment	Fair payment Appealing workplace Good employees
			Financial performance	Outperforms peers Low-risk investment Growth prospects Track record
			Social responsibility	Supporting good causes Environmental responsibility Social responsibility
Schwaiger	Components And Parameters of Corporate Reputation	Expert interviews	Quality	Trustworthy company Quality Price/performance appropriate Service offering good Focus on customer needs Reliable partner Respect for services Pioneer instead of follower
			Performance	Very well managed Economically stable Future growth Clear ideas Low risk
			Responsibility	Fair conduct Not only profit-oriented Social responsibility Environmental commitment Honest information
			Attraction	Qualified employees Conceivable as an employer Appearance pleasing
			Sympathy	Higher identification with the company Sympathetic company Greater regret in case of loss
			Competence	Internationally recognized company Top company in the market Exceptional performance

Source: Own table.

The nine criteria used for measurement are:

1. *Innovative strength*
2. *Overall management quality*
3. *Value as a long-term investment*
4. *Responsibility in dealing with society and nature*
5. *The ability to acquire, promote and retain talented young talents*
6. *Quality of products and services*
7. *Financial strength*
8. *Responsibly handling corporate values,*
9. *The company's ability to act globally.*⁴³

The result of the evaluation is the Overall Reputation Score, which results as an arithmetic mean from the nine assessed individual variables. A critical consideration of this measurement method is that there is no weighting of the different variables. There is also criticism of the variables themselves, as criteria such as *general management quality* or *responsibility in dealing with society and nature* are only inaccurately specified.⁴⁴ Fryxel and Wang also criticize the selection of the target group surveyed, which consists exclusively of industry experts and thus has a different view from other stakeholders.⁴⁵

Fombrun and Gardberg assume that while the factors for measuring reputation are the same for all stakeholders, the weighting of the individual indicators differs. You see six key factors for determining reputation, which are Figure 2 presented in. *Emotional appeal*: how much the company is popular, admired and respected; *products and services*: perceptions of the quality, innovation, value and reliability of products and services; *vision and leadership*: how much the company shows a clear vision and strong leadership; *working environment*: perceptions of how well the company is run, what it is to work there, and the quality of its employees; *financial capacity*: perceptions of profitability, prospects and risk;

⁴³ FRYXELL, Gerald E.; WANG, Jia. The Fortune Corporate 'Reputation' Index: Reputation for What? 1994, pp. 2-3.

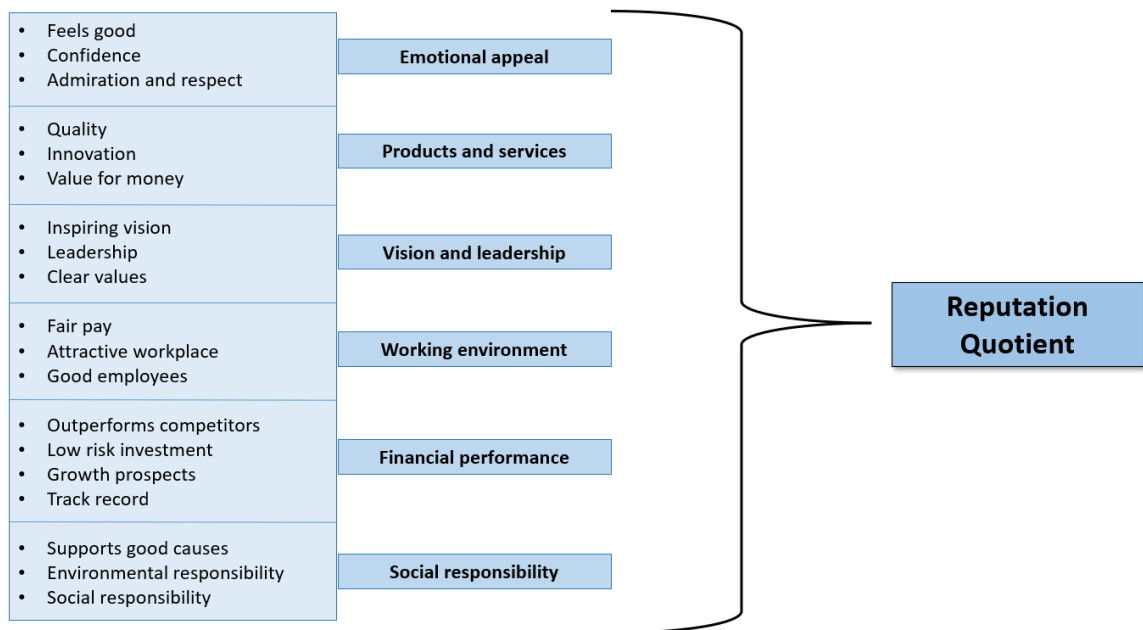
⁴⁴ KIRSTEIN, Sandra. Unternehmensreputation. 2009, p. 64.

⁴⁵ FRYXELL, Gerald E.; WANG, Jia. The Fortune Corporate 'Reputation' Index: Reputation for What? 1994, p. 2.

social responsibility: perceptions of the company as a good citizen in dealing with society, employees and the environment.⁴⁶

In collaboration with Harris Interactive, Fombrun has developed an instrument that measures a company's reputation by examining how a representative group of stakeholders perceives companies in terms of 20 underlying attributes, which in turn form the six pillars of reputation.⁴⁷

Figure 2: Reputation Quotient



Source: Own illustration based on Fombrun – Gardberg, 2000, p. 14.

To achieve a lasting effect of reputation, it must originate from the inside of the company to then act externally. It is not enough to only involve the marketing department and the corporate communications department. Human resources management and integration into the corporate strategy are equally crucial in building reputation.⁴⁸ According to Fombrun and Foss, a company must consider five principles to build a successful reputation:

⁴⁶ FOMBRUN, Charles J.; GARDBERG, Naomi A. Who's Tops in Corporate Reputation? 2000, pp. 13-14.

⁴⁷ FOMBRUN, Charles J.; GARDBERG, Naomi A. Who's Tops in Corporate Reputation? 2000, p. 14.

⁴⁸ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 60.

1. The principle of unmistakability

Strong reputation arises when companies take a distinctive position in the minds of stakeholders and resource owners.

2. The principle of focusing

Strong focus arises when companies focus their actions and communication on a single core topic.

3. The principle of consistency

Strong reputation arises when companies are consistent in their actions and communication with all stakeholders. Companies that align their initiatives and campaigns across functions have an advantage over companies that keep their relationships with stakeholders fragmented. Silo thinking in the individual departments and areas is the reason for inconsistencies and inefficiency.

4. The principle of identity

Strong reputation arises when the actions of a company conform to the self-imposed principles. Frequent changes of direction are harmful to a good reputation.

5. The principle of transparency

Companies with a strong reputation operate transparently and are more visible across all media. They reveal more information about themselves and engage in dialogue with their stakeholders.⁴⁹

Helmet points out that it is necessary to determine from whose point of view the reputation is raised. For example, customers can be asked about the reputation of a company as well as its employees.⁵⁰

With the Global Reputation Quotient, Gardberg and Fombrun have developed a cross-border tool to build a global reputation assessment database that can inform research

⁴⁹ FOMBRUN, Charles J.; FOSS, Christopher B. Developing a Reputation Quotient. 2001, pp. 2-3.

⁵⁰ HELM, Sabrina. Unternehmensreputation und Stakeholder-Loyalität. 2007, pp. 129-130.

and practice.⁵¹ This research has resulted in the RepTrak system, which is a systematic tool for capturing and analyzing stakeholder perceptions.⁵² The basis of this model is seven dimensions that the RepTrak system uses to predict corporate reputation and stakeholder support.⁵³

Adeosun and Ganiyu state that existing reputation measurement tools are based on the following factors: *quality of management, financial performance, quality of products and services, market leadership, customer orientation, attractiveness, ethical behavior, reliability, fair behavior towards competitors, transparency and openness and credibility*.⁵⁴ The different factors used by the different authors to measure reputation show that there are no flat-rate drivers of reputation. For example, the nature of a company's ownership changes stakeholder expectations in terms of social responsibility to make a difference whether a company is for-profit or non-profit. The interpretation of signals of the company by the stakeholders is perceived differently in different contexts. This leads to the perception of the importance of the individual variables as different, which in turn leads to divergent results and complicates a cross-context comparison of the results.

1.1.5 Corporate reputation as an asset

The corporate reputation is an intangible asset whose valuation is complex.⁵⁵ It does not appear on companies' balance sheets, but as relationship capital influences the attitude of customers, suppliers, employees, investors, and other stakeholders. In prioritizing the strategic questions that companies must answer for themselves, reputation is of high importance.⁵⁶ It is used by companies to create barriers to market entry, increase customer

⁵¹ GARDBERG, Naomi A.; FOMBRUN, Charles J. The Global Reputation Quotient Project: First Steps Towards a Cross-Nationally Valid Measure of Corporate Reputation. 2002, p. 303.

⁵² FOMBRUN, Charles J.; PONZI, Leonard J.; NEWBURRY, William. Stakeholder Tracking and Analysis: The RepTrak® System for Measuring Corporate Reputation. 2015, p. 3.

⁵³ FOMBRUN, Charles J.; PONZI, Leonard J.; NEWBURRY, William. Stakeholder Tracking and Analysis: The RepTrak® System for Measuring Corporate Reputation. 2015, p. 3.

⁵⁴ ADEOSUN, Lapido Patrick Kunle; GANIYU, Rahim Ajao. Corporate Reputation as a Strategic Asset. 2013, p. 223.

⁵⁵ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Corporate Reputation of Family-Owned Businesses: Parent Companies vs. Their Brands. 2021, p. 1.; ADEOSUN, Lapido Patrick Kunle; GANIYU, Rahim Ajao. Corporate Reputation as a Strategic Asset. 2013, p. 223.; TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 4.

⁵⁶ ADEOSUN, Lapido Patrick Kunle; GANIYU, Rahim Ajao. Corporate Reputation as a Strategic Asset. 2013, p. 222.

loyalty and thus generate competitive advantages. Creating and using them in a targeted way allows companies to control markets rather than being controlled by markets.⁵⁷

Reducing corporate reputation is a business risk. The risk is, among other things, that trust in one or more stakeholder groups is damaged and leads to reputational damage. The severity of the damage depends on the influence of the respective stakeholder group,⁵⁸ which is explained in more detail in chapter 1.4. In order not to be helpless to any damage, the reputation should not be left to chance, but should be proactively shaped by sustainable reputation management.

Fombrun and van Riel describe that external investors have an information asymmetry towards managers regarding the future actions of the companies. A good reputation here increases the confidence that managers will act in a way that is consistent with the reputation. From the point of view of game theory, reputations are functional and generate perceptions among customers, investors, employees, and the public about what a company is, what it does, and what values it stands for.⁵⁹

The perspective on reputation in specialist literature has changed in recent decades. While company reputation has already been seen as a valuable asset in the past, Wartick, for example, believed that observers' reputation assessments do not change even when faced with negative information.⁶⁰

Apart from being an intangible asset, the reputation is influenced by the stories about a company circulating among stakeholders. Their emergence is shaped on the one hand by how stakeholders experience the company's activities, products or services, and on the other hand by the perceptions that arise in the various public forums about the company. Reputation arises when a company and its stakeholders come into contact with each other in various direct and indirect interaction situations. The different parties bring their whole

⁵⁷ SCHWAIGER, Manfred. Components and Parameters of Corporate Reputation - An Empirical Study. 2004, p. 47.

⁵⁸ ADEOSUN, Lapido Patrick Kunle; GANIYU, Rahim Ajao. Corporate Reputation as a Strategic Asset. 2013, p. 223.

⁵⁹ FOMBRUN, Charles. J.; VAN RIEL, Cees. The Reputational Landscape. 1997, p. 6.

⁶⁰ WARTICK, Steven L. The Relationship between Intense Media Exposure and Change in Corporate Reputation. 1992, pp. 46-47.

world into these interactions with their own values, cultures, prejudices, knowledge, and skills.⁶¹

There are various approaches to measuring reputation using objective factors such as demonstrable performance, technologies, or certifications for assessment. In addition to these objective factors, the factors that are crucial in the virtual world tend to be subjective.⁶² The measurement of objective reality requires large resources in the form of financial means and time, whereas subjective reality is based on the opinions of individual individuals. This results in a strong fragility of the reputation as an intangible asset, since on the one hand there is an enormous effort, but on the other hand a disproportionate variability.⁶³ A company's reputation gives it a sustainable competitive advantage in the market by reducing transaction costs with different stakeholders. Research repeatedly notes that reputation is a rare, inimitable, valuable, and causally ambiguous asset, as well as one of a company's most significant strategic resources.⁶⁴

1.1.6 Goodwill

A company's intangible assets are referred to as company value or goodwill. This goodwill arises from the acquisition of a company and corresponds to the amount that a potential buyer of a company would be willing to pay for it.⁶⁵ In addition to all material and intangible values, future earnings expectations are included in the calculation, minus existing debts. Goodwill is the difference between the purchase price of a company and the value of the substance. It can therefore be referred to as the sum by which the purchase price exceeds the actual value of a company.⁶⁶

Goodwill is formed by the company itself and cannot be separated from it. The company value generated by the company itself is the original goodwill. This may not be accounted for under commercial law, as no expenditure can be assigned directly to it. An unrealized appreciation gain would arise if the original goodwill were capitalized on

⁶¹ AULA, Pekka; HEINONEN, Jouni. The Reputable Firm. 2016, p. 5.

⁶² POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 68.

⁶³ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 68.

⁶⁴ BOYD, Brian K.; BERGH, Donald D.; KETCHEN JR., David J. Reconsidering the Reputation-Performance Relationship: A Resource-Based View. 2010, p. 603.

⁶⁵ QIN, Xiuhong; HUANG, Guoliang; SHEN, Huayu; FU, Mengyao. COVID-19 Pandemic and Firm-level Cash Holding—Moderating Effect of Goodwill and Goodwill Impairment. 2020, p. 2246.

⁶⁶ RAUSCHENBERG, Fabian. Transparente Goodwill-Berichterstattung als Instrument der Corporate Governance. 2017, p. 1.

accounting. Such values can, for example, be a good reputation, trademark, or patent right or an extensive customer file.

In contrast to original goodwill, derivative goodwill exists when it is part of the purchase in the event of a business acquisition. Derivative goodwill must be activated under tax law. If there is a difference between the purchase price and the balance sheet in the event of a purchase for consideration of an undertaking, this intangible asset constitutes the derivative goodwill.

When evaluating goodwill, it is important to note that it depends on many factors and is often subjective.⁶⁷ Therefore, several methods should be used in the evaluation and the results should be compared with each other to obtain the most accurate assessment. One of the biggest valuation challenges is accurately predicting the company's future cash flows.⁶⁸ If the forecasts are incorrect, this can lead to over- or undervaluation. Changes in the market environment and the macroeconomic situation can also cause goodwill to change. Therefore, goodwill should be regularly reviewed and adapted to the current situation.

1.2 Reputation management

Building a positive reputation requires a lot of resources and patience. It is difficult to build, but at the same time it is at the constant risk of damage. A single poor communication decision is enough and the build-up of the reputation of many years has been destroyed. There is a risk that positive developments will turn to the opposite and that the annoyance of individual customers, including through social media, will ensure that long-term business goals cannot be achieved.⁶⁹

According to a study by the Federal Association of Information Industry Bitkom, 87 % of consumers aged 14 and over are registered on social networks.⁷⁰ The average Internet user works with three social networks in parallel.⁷¹ Based on these figures, it is

⁶⁷ RAUSCHENBERG, Fabian. *Transparente Goodwill-Berichterstattung als Instrument der Corporate Governance*. 2017, p. 4.

⁶⁸ LEV, Baruch. *Ending the Accounting-for-Intangibles Status Quo*. 2019, p. 716.

⁶⁹ TERNÈS, Anabel; RUNGE, Christopher A. *Reputationsmanagement*. 2015, p. 2.

⁷⁰ BITKOM, e.V. *Social Media & Social Messaging*. 2018. Available at: https://www.bitkom-research.de/system/files/document/Social_Media_und_Social_Messaging_2018.pdf, retrieval took place on 29.5.2021.

⁷¹ BITKOM, e.V. *Social Media & Social Messaging*. 2018. Available at: https://www.bitkom-research.de/system/files/document/Social_Media_und_Social_Messaging_2018.pdf, retrieval took place on 29.5.2021.

possible to derive the extent of the reach of stakeholder opinions through digital media. Once negative corporate experiences were spread among friends and acquaintances, stakeholders today have the opportunity to express their anger worldwide in real time. Examples of the German insurance industry were provided here by ERGO and Debeka insurance, which caused the displeasure of their customers and the mockery of the media through excessive incentive trips and a lazy handling of data protection regulations. Due to the unprofessional handling of the crisis, the reputation of the corporations has been severely affected, the negative effect has been amplified and the brands have been damaged to this day.

To minimize these risks, it is incessant for insurance companies to install systematic reputation management. The sensitive structure of the reputation requires active and strategic management as well as responsible communication with all stakeholders and it reflects the corporate culture internally and externally.⁷² Building a strong reputation is an ongoing investment that requires management time and resources and must reflect the reality of the company in order to succeed.⁷³

Corporate reputation is a particularly sensitive construct that requires active and strategic management.⁷⁴ Managing reputation means understanding the cosmos of experiences of internal and external stakeholders.⁷⁵ Abdullah and Abdul Aziz point out that the two dimensions of corporate reputation and stakeholder relationships cannot be managed without considering the value of corporate social responsibility, as a company is part of a social community and its environment. Keeping the balance between economic values and the moral obligation of the environment has become a mandatory obligation for all companies.⁷⁶

In his 2009 article, Abdullah describes a theoretical approach to reputation management developed from the perspective of strategic management and multiculturalism. This adaptive model considers cultural and local characteristics. In contrast to strategic management, the role of corporate communication and public relations is seen as crucial in

⁷² TERNÈS, Anabel; RUNGE, Christopher A. *Reputationsmanagement*. 2015, p. 2.

⁷³ FEARNLEY, Matt. *Corporate Reputation: The Wasted Asset*. 1993, p. 6.

⁷⁴ TERNÈS, Anabel; RUNGE, Christopher A. *Reputationsmanagement*. 2015, p. 2.

⁷⁵ FEARNLEY, Matt. *Corporate Reputation: The Wasted Asset*. 1993, p. 7.

⁷⁶ ABDULLAH, Zulhamri; ABDUL AZIZ, Yuhanis. *Managing Corporate Reputation, Stakeholder Relations, and Corporate Social Responsibility: A Southeast Asian Perspective*. 2011, p. 313.

building reputation management.⁷⁷ Abdullah sees a need for discussion on how western reputation management can be practiced in Islamic countries.⁷⁸

Reputational risk arises when the company's expectations of a stakeholder group are not met. Adeosun and Ganiyu see the management of expectations as the key to effective reputation management.⁷⁹ However, this should not mean that expectations should be kept low to avoid a loss of reputation. For Hutton et al., concepts such as reputation or image are ubiquitous and cannot be directly managed as they are the result of a company or person's global behavior. They compare the attempt of reputation management with an attempt to manage one's own popularity, and call it difficult, superficial, and potentially self-destructive.⁸⁰

As the first solution to the challenges of reputation management, Adeosun and Ganiyu see the establishment of a new way of thinking in corporate governance. According to this, companies should become part of the dialogue and not only manipulate it from the outside by communicating with the stakeholders. The result of a discussion at eye level with all stakeholders is ultimately a cooperative relationship with the groups in whose minds the reputation of the company is formed, and which have a far-reaching influence on the opinion formation of other stakeholders.⁸¹ A similar argument is provided by Fearnley, who wants to create a communication process that involves all executives and employees. Professional communicators must develop their skills as moderators and involve other managers in the organization's reputation management.⁸²

Although a positive corporate reputation is an extremely fragile construct, few companies are prepared if there is an acute threat of reputational damage.⁸³ In many cases,

⁷⁷ ABDULLAH, Zulhamri. Beyond Corporate Image: Projecting International Reputation Management as a New Theoretical Approach in a Transitional Country. 2009, pp. 180-181.

⁷⁸ ABDULLAH, Zulhamri. Beyond Corporate Image: Projecting International Reputation Management as a New Theoretical Approach in a Transitional Country. 2009, pp. 176-177.

⁷⁹ ADEOSUN, Lapido Patrick Kunle; GANIYU, Rahim Ajao. Corporate Reputation as a Strategic Asset. 2013, p. 223.

⁸⁰ HUTTON, James G.; GOODMAN, Michael B.; ALEXANDER, Jill B.; GENEST, Christina M. Reputation management: the new face of corporate public relations? 2001, p. 249.

⁸¹ ADEOSUN, Lapido Patrick Kunle; GANIYU, Rahim Ajao. Corporate Reputation as a Strategic Asset. 2013, p. 224.

⁸² FEARNLEY, Matt. Corporate Reputation: The Wasted Asset. 1993, p. 7.

⁸³ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 4.

individual measures are used to respond to crisis situations to limit the damage in the short term. For a good corporate reputation, systematic reputation management is indispensable.⁸⁴

Gehring considers the shareholder value approach and stakeholder value approach as the two possible ends of a continuum of entrepreneurial relationship design.⁸⁵ There are two different strategies of corporate management, whose focus is on different target groups. Management must decide which of the two principles fits better into the existing corporate philosophy and is beneficial to the company's well-being.

1.2.1 Shareholder value approach

The shareholder value approach is characterized by the fact that sales and equity profitability are to be maximized in favor of shareholders.⁸⁶ The term refers to any economic value and all profits created by the company as a direct result of its business activities and distributed to the owners of shares.⁸⁷ The decades-long stock market boom in the 1980s and 1990s has fostered belief in the economic benefits of maximizing shareholder value.⁸⁸ By definition, the concept of shareholder value applies only to publicly traded public limited companies and thus excludes privately owned companies and all other forms of organization in which there are no shareholders.⁸⁹ Shareholders' expectation is that the amount of return is at least equal to that of an alternative investment under comparable risk conditions.

The consequence of the massive distribution of corporate profits is that less and less money is being reinvested into the companies, the reduction of jobs continues to reduce costs and at the same time the profit is further increased. According to Rappaport, this unilateral orientation of the company to the interests of its shareholders is justified by the fact that this focus is unavoidable, otherwise significant stakeholders would withdraw their support from the company.⁹⁰ Unlike employees who receive a contracted payment, shareholders' claims are not based on a fixed contract. They are at risk and there is a danger that they will lose

⁸⁴ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 4.

⁸⁵ GEHRING, Maximilian. Unternehmensreputation und Professional Service Firms. 2016, p. 64.

⁸⁶ RAPPAPORT, Alfred. 10 Ways to Create Shareholder Value. 2006, p. 68.

⁸⁷ SHIN, Taekjin. The Shareholder Value Principle: The Governance and Control of Corporations in the United States. 2013, p. 830.

⁸⁸ LAZONICK, William; O'SULLIVAN, Mary. Maximizing shareholder value: a new ideology for corporate governance. 2000, p. 13.

⁸⁹ SHIN, Taekjin. The Shareholder Value Principle: The Governance and Control of Corporations in the United States. 2013, p. 830.

⁹⁰ RAPPAPORT, Alfred. 10 Ways to Create Shareholder Value. 2006, pp. 66-77.

their invested money. Unlike employees, shareholders bear risks in providing capital that employees do not bear. Therefore, according to shareholder value advocates, shareholders are the only ones who have an incentive to maximize the company's profit.⁹¹

It is precisely at this point that the main criticism of other authors who focus their criticism of this management concept on two core areas also comes in. It is criticized that the concentration on shareholders is at the expense of other stakeholders at the same time and that this short-term corporate governance is the exact opposite of the company's sustainable orientation.⁹² Potential for success, which can only be built up in the long term, is neglected in favor of short-term profit orientation.⁹³ The concept of shareholder value therefore promotes the risk appetite of managers in order to continuously increase profitability.

Advocates of the concept argue that maximizing shareholder value simultaneously maximizes the value of the entire company and then benefits all stakeholders.⁹⁴ On the other hand, if job cuts are waived or even wages increased, this can mean that a greater financial risk of emergency is created and shareholders are put in a worse position.⁹⁵ The shareholder value approach is therefore not suitable as a reference framework for reputation management for insurance companies that rely on long-term customer relationships.⁹⁶

1.2.2 Stakeholder value approach

With the term stakeholder, Freeman describes any group or individual who can influence or are affected by the achievement of the organization's goals.⁹⁷ This definition already shows that the main difference between the shareholder value approach and the stakeholder value approach is that the stakeholder value approach takes into account the interests and needs of different interest groups.⁹⁸ Part of these stakeholders are also shareholders in this approach, but there is no one-sided focus on the interests of this sub-

⁹¹ SHIN, Taekjin. The Shareholder Value Principle: The Governance and Control of Corporations in the United States. 2013, p. 831.

⁹² LOSBICHLER, Heimo. Das Nachhaltigkeits-Paradoxon des Shareholder Value. 2012, p. 268.

⁹³ LAZONICK, William; O'SULLIVAN, Mary. Maximizing shareholder value: a new ideology for corporate governance. 2000, p. 33.

⁹⁴ SUNDARAM, Anant K.; INKPEN, Andrew C. The Corporate Objective Revisited. 2004, p. 353.

⁹⁵ SUNDARAM, Anant K.; INKPEN, Andrew C. The Corporate Objective Revisited. 2004, p. 357.

⁹⁶ GEHRING, Maximilian. Unternehmensreputation und Professional Service Firms. 2016, p. 65.

⁹⁷ FREEMAN, R. Edward. Strategic Management. 2010, p. 46.

⁹⁸ FREEMAN, R. Edward; DMYTRIYEV, Sergiy. Corporate Social Responsibility and Stakeholder Theory: Learning From Each Other. 2017, p. 13.

target group.⁹⁹ Freeman and Dmytriiev point out that due to the diversity of stakeholder groups, corporate decisions are always associated with compromises. They acknowledge that shareholders will receive lower returns if the company pays its employees above average salaries or offers suppliers a reasonable price for their services. Crucial, however, is the basic assumption that all stakeholders are interdependent and that the creation of value for one stakeholder also contributes to added value for other stakeholders. This increase in value is reflected, among other things, in a better reputation of the company and in the satisfaction of suppliers or employees.¹⁰⁰

The stakeholder approach looks at the performance consequences for companies based on ethical relationships with their stakeholders, which are characterized by a high level of trust, cooperation and information exchange.¹⁰¹ Jones et al. note that the close relationship with stakeholders brings a number of benefits to the company, such as improved knowledge sharing or attracting stakeholders with higher quality and greater moral motivation.¹⁰² Cannon and Schwaiger see another advantage that good reputation and long-term relationships with stakeholders can reduce transaction costs.¹⁰³

Through a broader perspective, the stakeholder value approach provides a more realistic picture of a company within its environment, which is why it represents the more appropriate approach to successful reputation management.¹⁰⁴ Important for companies is the question of which stakeholders are relevant and which categories the stakeholder groups can be divided into.¹⁰⁵ It is necessary to decide whether internal and external clusters are formed, also with regard to the distinction between identity and image.

1.2.3 Sustainable development of reputation management

In order to ensure lasting success and to ensure the sustainability of reputation management, it is necessary to combine the best practices to improve offline reputation with

⁹⁹ KALER, John. Differentiating Stakeholder Theories. 2003, p. 77.

¹⁰⁰ FREEMAN, R. Edward; DMYTRIYEV, Sergiy. Corporate Social Responsibility and Stakeholder Theory: Learning From Each Other. 2017, p. 13.

¹⁰¹ JONES, Thomas M.; HARRISON, Jeffrey S.; FELPS, Will. How Applying Instrumental Stakeholder Theory Can Provide Sustainable Competitive Advantage. 2018, p. 371.

¹⁰² JONES, Thomas M.; HARRISON, Jeffrey S.; FELPS, Will. How Applying Instrumental Stakeholder Theory Can Provide Sustainable Competitive Advantage. 2018, p. 384.

¹⁰³ CANNON, Hugh M.; SCHWAIGER, Manfred. Incorporating "Company Reputation" into Total Enterprise Simulations. 2003, p. 289.

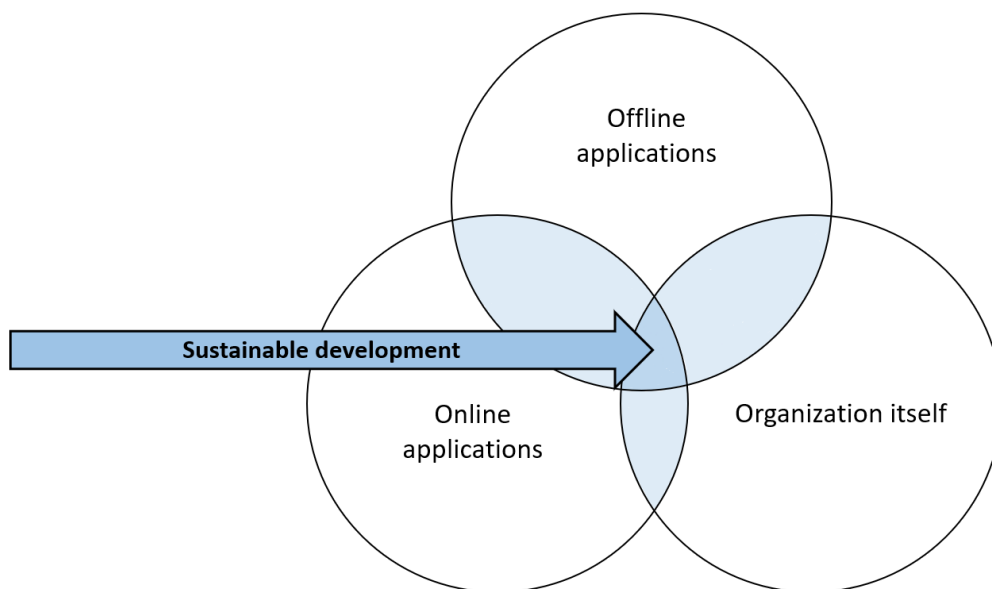
¹⁰⁴ GEHRING, Maximilian. Unternehmensreputation und Professional Service Firms. 2016, p. 66.

¹⁰⁵ FREEMAN, R. Edward. The Politics of Stakeholder Theory: Some Future Directions. 1994, p. 411.

novel methods of online reputation management, thereby linking both worlds together.¹⁰⁶ In their analysis, Pollák et al. describe close links between offline and online factors, from which they derive the need to connect the two approaches, as illustrated in Figure 3.

To ensure the sustainability of reputation management, insurers must actively manage the most used platforms of social networks and media and provide feedback on customer reviews.¹⁰⁷ The consumer's usage habits determine which of the platforms is relevant and which can be neglected. The integration of the online world into existing offline reputation management strengthens communication with stakeholders, bearing in mind that stakeholders decide whether to contact the company via one of the traditional channels such as mail or telephone or online.

Figure 3: Sustainable development model



Source: own presentation based on: Pollák et al. 2019 Reputation Management, p. 67.

Social media not only have the character of communication channels, but they also provide data in the form of feedback real-time, which can be particularly valuable in crisis situations. All companies must listen and receive direct information about their reputation.¹⁰⁸ According to Beal, two-thirds of all customers would never complain to the companies because the inhibition threshold is too large. The Internet allows these people to express

¹⁰⁶ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 67.

¹⁰⁷ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, pp. 67-68.

¹⁰⁸ BEAL, Andy; STRAUSS, Judy. Radically Transparent. 2009, p. 16.

themselves publicly about the companies and enter the discussion with like-minded people.¹⁰⁹ Although online and offline worlds have different dynamics and require different tools, they are nevertheless closely interconnected. No company can afford to work on just one of these two environments today, with online reputation being the more sensitive area due to the ability to reach a lot of people in a very short time.¹¹⁰

1.3 Online reputation management

The online reputation, which is also called virtual reputation in literature, is the corporate reputation from the perspective of the Internet.¹¹¹ Due to the growing share of revenue generated online, the importance of online reputation and activities of companies on the Internet is also increasing. Customers benefit from the constant availability of information and from business initiation to completion to after-sales service, digitalization has created many new channels that have changed communication with stakeholders, and which need to be served by the companies. The newly created channels lead to new data streams and make the evaluation of the data more demanding. The online presence and online reputation are crucial for the acquisition of new customers.¹¹²

The dissemination of online evaluation platforms such as Tripadvisor or Booking.com shows that interested parties are already informed about their experiences with other customers before contacting the company. These platforms are of growing importance, as the customers get their say and the users create and share the content together.¹¹³ The decisive factor here is the differentiation that the reputation is not created by the operator of the social platform, but by sharing their attitudes and opinions with each other and being able to track the interactions via a variety of tools (such as search engines, forums or blogs).¹¹⁴ The technological advancement makes it possible to continuously identify new

¹⁰⁹ BEAL, Andy; STRAUSS, Judy. *Radically Transparent*. 2009, p. 16.

¹¹⁰ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. *Reputation Management*, pp. 67-68.

¹¹¹ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. *Reputation Management*, p. 62.

¹¹² DORČÁK, Peter; MARKOVIČ, Peter; POLLÁK, František. *Multifactor Analysis of Online Reputation of Selected Car Brands*. 2017, pp. 720-721.; TERNÈS, Anabel; RUNGE, Christopher A. *Reputationsmanagement*. 2015, p. 2.

¹¹³ MALTHOUSE, Edward C.; HAENLEIN, Michael; SKIERA, Bernd; WEGE, Egbert; ZHANG, Michael. *Managing Customer Relationships in the Social Media Era: Introducing the Social CRM House*. 2013, pp. 275-276.

¹¹⁴ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. *Reputation Management*, p. 63.

websites and to constantly scan for keywords, companies or product names. This can actively prevent image damage in the online area.¹¹⁵

The opportunities and risks of the Internet lie in its scalability for companies. It is now the main information channel for customers and applicants. Poor social media reviews prove to be particularly harmful due to global reach.¹¹⁶ The companies are not able to watch but must try to actively influence the opinions of the users through blogs, interactive company pages or fan pages and create trust.¹¹⁷ In the literature, there is consensus on the need to eliminate potential threats by actively shaping communication on the respective platforms. The importance of a negative comment in the context of numerous positive mentions reduces the risk of long-term damage to reputation.¹¹⁸ It also depends on what type of presentation the company chooses for its online presence. The social or functional reputation of a company has a direct impact on the perceived quality of products or services and thus a central role in the perception of the company by its stakeholders.¹¹⁹

The insurance industry has been suffering from a massive image problem for decades. In a 2018 Statista survey, only 27 % of respondents said they had confidence in an insurance company.¹²⁰ Therefore, a continuously good customer experience is more important than punctual customer satisfaction. As social media grows, insurers have the opportunity to break new ground, increase market penetration and increase the effectiveness of their customer retention and acquisition strategies.¹²¹ In fact, they don't have the choice of using the new technologies or not. Through their online experiences from other industries, customers now assume that their problems are solved in a timely manner. For insurers, this means investment costs through the implementation of new processes, but in the medium and long term, digitalization generates considerable savings potential without negative effects on perceived service quality.

¹¹⁵ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 64.

¹¹⁶ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Corporate Reputation of Family-Owned Businesses: Parent Companies vs. Their Brands. 2021, p. 1.

¹¹⁷ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 2.

¹¹⁸ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 63.

¹¹⁹ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 8.

¹²⁰ Statista. Vertrauen Sie den folgenden Berufsgruppen voll und ganz, überwiegend, weniger oder überhaupt nicht? Trust in Professions 2018. 2018, available at: <https://de.statista.com/statistik/daten/studie/1470/umfrage/vertrauen-in-verschiedene-berufsgruppen/>. Retrieval took place on 27.03.2021.

¹²¹ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 14.

Social media empowers consumers and enables them to compare prices with mobile devices from anywhere and spread both positive and negative brand messages to a global audience.¹²² Therefore, online evaluation portals or comparison calculators should be given more attention than has been done in the past by insurers.¹²³ When distributing insurance online, there are major differences between the individual insurance divisions. The largest shares in the online business are car and private liability insurance and thus insurance divisions, which require little explanation and are well comparable. Although more than 50 % of respondents in a Statista survey said they had not yet taken out insurance online, the online share has increased steadily in recent years.¹²⁴ Just as the online and offline worlds are growing more and more together, online and offline reputation management must also be developed in parallel, because hybrid insurance customers use both worlds and transfer their experience with other companies from different industries to the insurer.

Online reputation is an immediate consequence of a company's actions on the Internet. This is not just about products or services, but also about the company's interactions with its stakeholders. Pollák et al. see the need for active online reputation management in the fact that the use of the Internet by customers will continue to increase, as the perception of the benefits of online shopping is also increasing.¹²⁵ This effect was confirmed and further reinforced by the COVID-19 pandemic.

The company's communication with its stakeholders, as well as the communication between stakeholders, runs around the clock and is never interrupted. Therefore, well-functioning online reputation management is also not an activity that only needs to be done occasionally, but a continuous, regularly recurring process. This process always starts at the relevant points in order to optimize the reputation of the company in a result-oriented manner and to guarantee the success of the company.¹²⁶ It should be noted that the means and measures successfully applied in the analogue world do not necessarily lead to success in

¹²² MALTHOUSE, Edward C.; HAENLEIN, Michael; SKIERA, Bernd; WEGE, Egbert; ZHANG, Michael. Managing Customer Relationships in the Social Media Era: Introducing the Social CRM House. 2013, p. 278.

¹²³ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 3.

¹²⁴ Statista. Welche dieser Versicherungen haben Sie online abgeschlossen? 2020, available at: <https://de.statista.com/prognosen/999877/deutschland-online-abschluss-von-versicherungen>, retrieval took place on 3.6.2021.

¹²⁵ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, p. 63.

¹²⁶ TERNÈS, Anabel; RUNGE, Christopher A. Reputationsmanagement. 2015, p. 6.

the virtual world.¹²⁷ This does not mean that the funds and measures used so far are no longer eligible. Rather, the previously analogue area of reputation management has been expanded to include the area of online reputation and therefore requires additional processes.

1.4 Asymmetrical distribution of information as a cause of behavioral uncertainty among insurance customers

A company as part of society is an environmentally dependent coalition of divergent interests.¹²⁸ Management has the task of communicating between the interests of the stakeholders and requires as precise knowledge as possible about the stakeholder groups. The individual groups are of different relevance to the company and therefore require a different degree of attention from the management. Specialist literature has increasingly taken on this topic since the 1990s. Savage et al. classify stakeholders according to their potential in terms of threat or support to the company in four categories: supportive, partially helpful, non-supportive and marginal stakeholders.¹²⁹ Goodpaster, on the other hand, is limited to two essential distinguishing features and speaks of strategic and moral stakeholders.¹³⁰

Rowley considers for the first time the influence of social networks as part of the stakeholder environment. In his article in the *Academy of Management Review*, he points out that when typing stakeholders, account must be taken of the fact that diverse, interdependent stakeholder interactions exist at the same time and thus increase their influence.¹³¹ Scholes and Clutterbuck describe three factors that can be used to group stakeholders: the power of their influence, the influence on the organization and the affinity to the organizational goals. According to the authors, it is necessary to prioritize stakeholder groups and align the organization more closely with them, integrate the messages to and from them, and build bridges between them.¹³²

¹²⁷ POLLÁK, František; DORČÁK, Peter; MARKOVIČ, Peter. Reputation Management, pp. 64-65.

¹²⁸ MITCHELL, Ronald K.; AGLE, Bradley R.; WOOD, Donna J. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. 1997, p. 871.

¹²⁹ SAVAGE, Grant T.; NIX, Timothy W.; WHITEHEAD, Carlton J.; BLAIR, John D. Strategies for assessing and managing organizational stakeholders. 1991, pp. 61-75.

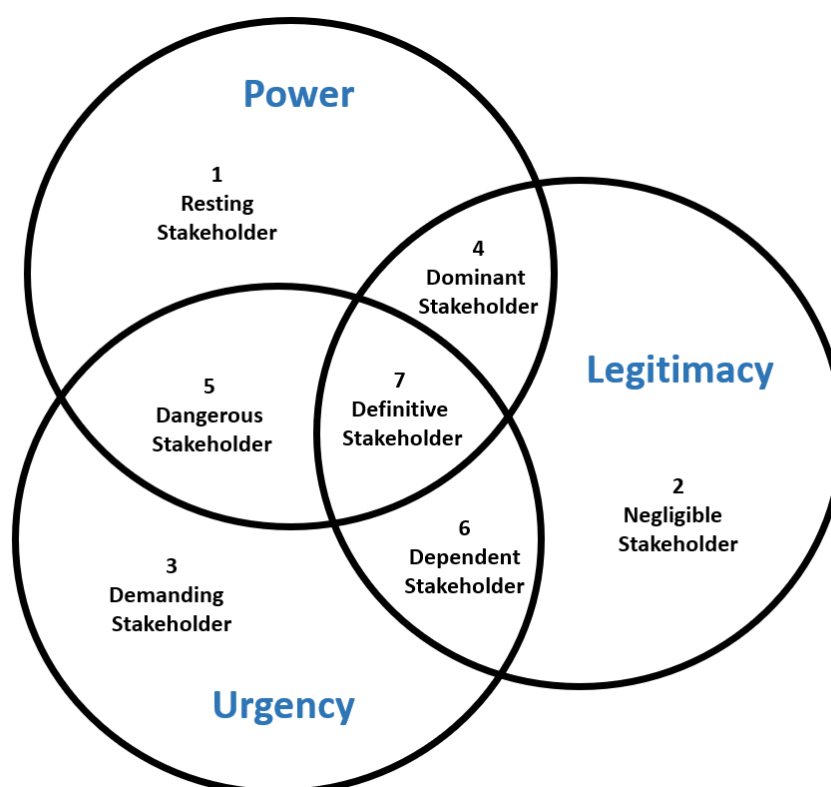
¹³⁰ GOODPASTER, Kenneth E. Business Ethics and Stakeholder Analysis. 1991, pp. 53-73.

¹³¹ ROWLEY, Timothy J. Moving Beyond Dyadic Ties: A Network Theory of Stakeholder Influences. 1997, p. 887.

¹³² SCHOLES, Eileen; CLUTTERBUCK, David. Communication with stakeholders: An integrated approach. 1998, pp. 227-238.

Mitchell et al. have developed a stakeholder typology that also distinguishes the importance of stakeholders according to three attributes which are shown in Figure 4: Power, legitimacy and urgency.¹³³ Not every stakeholder group is clearly assigned to an attribute, but there are groups that also correspond to two or three attributes. The combination of the different attributes results in seven different stakeholder types. According to this model, the entities are power, legitimacy and urgency prerequisites for being perceived by the management of the company as a stakeholder.¹³⁴

Figure 4: Stakeholder typology



Source: Own illustration based on Mitchell, R. et al. 1997, p. 874.

The stakeholder groups in fields 1, 2 and 3 receive the least attention through the management. The group of *resting stakeholders* can, for example, include silent investors or people with far-reaching influence on social media. While dormant stakeholders have power, there is no urgency to focus the company's activities on this group. Group 2, *negligible*

¹³³ MITCHELL, Ronald K.; AGLE, Bradley R.; WOOD, Donna J. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. 1997, p. 872.

¹³⁴ MITCHELL, Ronald K.; AGLE, Bradley R.; WOOD, Donna J. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. 1997, p. 873.

stakeholders, has the legitimacy, but not the power to influence the company, and can therefore not exert any pressure. Stakeholder group 3, the *demanding stakeholder*, is highly demanding, but it has neither the power nor the legitimacy that would make it necessary to pay much attention to it.¹³⁵ In summary, for groups 1, 2 and 3 can be said that these stakeholders should be monitored but can be neglected when planning the measures.

This changes when a stakeholder group fulfills two attributes. The members of group 4, *dominant stakeholders*, have both the power and the legitimacy to influence the company. For example, these can be investor representatives on supervisory boards who have the ability to decide whether or not to enforce their claims. The problem with stakeholder group 5, *dangerous stakeholders*, lies in the fact that although it is characterized by urgency and power, the legitimacy is lacking. There is a risk of coercion and pressure on the company despite the illegitimate status. The sixth group, the *dependent stakeholder*, is called because, while it has urgent legitimate demands on the company, it lacks the power to enforce it. It depends on the advocacy of other stakeholders or on the implementation of internal corporate values by management.¹³⁶ In summary, for these three groups, it can be said that the company is encouraged to respond to the interests of these stakeholders. By entering the third missing property, a stakeholder group can become a definite stakeholder group at any time.

Group 7, *definitive stakeholder*, is the one with the highest priority for the company, as it meets all three criteria. This group has a legitimate urgent interest and at the same time the power to enforce it. If a stakeholder of this group makes a claim, management has the task of giving it priority. The consequences of misperception or misjudgment by stakeholder groups can be serious for management.¹³⁷ Managers must note that any stakeholder can develop into a definite stakeholder. This also applies to individuals or organizations that do not meet any of the three criteria but could develop into a stakeholder in the future. Mitchell et al.'s stakeholder typology model, shown in Figure 4, considers all perspectives and,

¹³⁵ MITCHELL, Ronald K.; AGLE, Bradley R.; WOOD, Donna J. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. 1997, pp. 874-876.

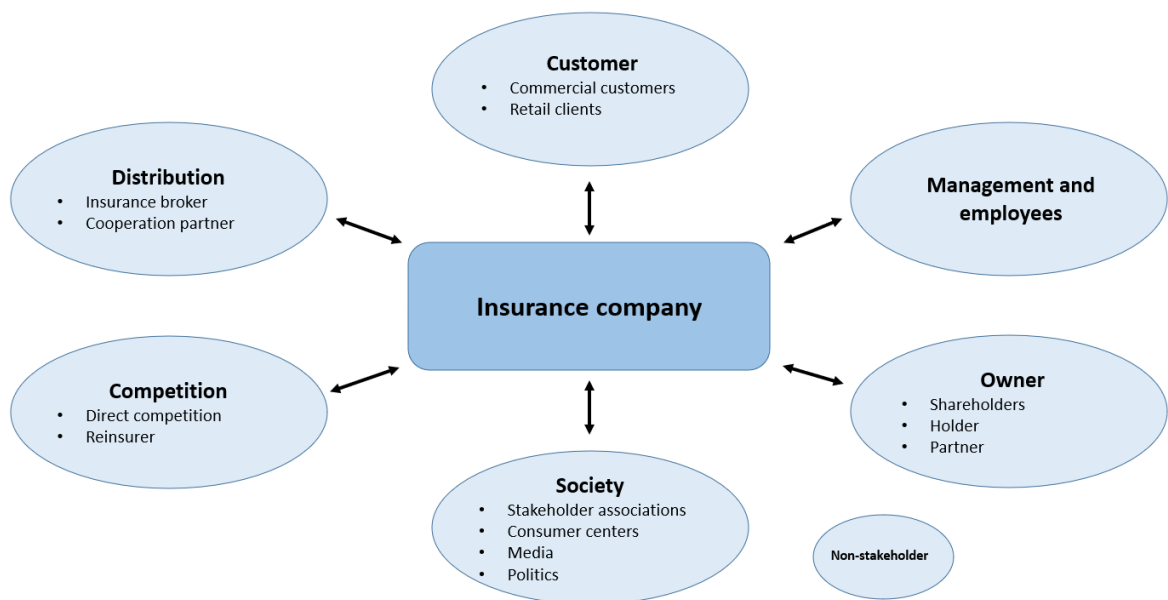
¹³⁶ MITCHELL, Ronald K.; AGLE, Bradley R.; WOOD, Donna J. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. 1997, pp. 876-877.

¹³⁷ MITCHELL, Ronald K.; AGLE, Bradley R.; WOOD, Donna J. Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. 1997, pp. 878-879.

through the present empiric, appears to be suitable for identifying and prioritizing the stakeholder groups of insurance companies.

Insurance is available for all conceivable areas of life, for example as life and pension insurance, health insurance, car insurance, legal expenses insurance and much more. The stakeholder groups are as heterogeneous as the areas of application of insurance are. Each stakeholder group pursues its own goals and has its own expectations, which are not always compatible with the goals of the insurance companies or those of the other stakeholders, which can lead to conflicts. Even more important is prioritization and long-term stakeholder management.

Figure 5: Stakeholders of an insurance company



Source: Own illustration, based on Wagner et al. 2012. A model for stakeholder classification and stakeholder relationships, p. 1874.

The stakeholder groups Figure 5 presented can be incorporated into the previously described stakeholder typology of Mitchell et al. and thus classified. Insurance customers have a particularly exposed position in practice and can not only belong to a stakeholder group but can belong to several categories simultaneously. Due to the amount of groups, this work will continue to focus on the stakeholder group of customers. The work differentiates between commercial and private customers, as decision-making until the conclusion of a contract is less emotional for companies than in private customers. While decision-makers in companies are also natural persons, they are subject to strict decision-making criteria, the

compliance guidelines, and make their decision less emotionally for one and against the other.

1.4.1 Hidden information

There are asymmetrical information distributions in all markets.¹³⁸ The approaches of New Institutional Economics provide a valuable contribution to the service sector and relate above all to the information asymmetries between providers and demanders. On the one hand, the seller almost never knows the maximum price the buyer is willing to pay, and on the other hand, buyers rarely have the knowledge of complete product information. This is especially true for the insurance market. Insurance is an intangible value by which the buyer is promised to provide financial compensation in the event of an insured damage. Existing uncertainties and information asymmetries promote opportunistic behaviors of a more informed transaction partner.¹³⁹

In the literature, there are differing views on the timing of the occurrence of hidden information. While Alparslan notes that hidden information *ex post*, i.e. occur only after the conclusion of the contract,¹⁴⁰ other authors assume that the hidden information is characteristics that can appear both *ex post* and *ex ante*, i.e. also before the conclusion of the contract.¹⁴¹ The difficulty for the customers is that they can really assess the insurer's performance only after the conclusion of the contract and after the occurrence of the claim. They are at risk of entering into a business relationship that is detrimental to them. While the demand side can observe the actions of the supply side, it does not assess the quality and relevance of these actions due to a lack of expertise.¹⁴²

On the other hand, the insurer also takes a risk every time the contract is concluded. Unlike in trade or industry, an insurance company purchases a risk with each contract for

¹³⁸ CHIAPPORI, Pierre-André; JULLIEN, Bruno; SALANIÉ, Bernard; SALANIÉ, François. Asymmetric information in insurance: general testable implications. 2006, p. 783; BERGH, Donald D.; KETCHEN JR., David J.; ORLANDI, Ilaria; HEUGENS, Pursey P. M. A. R.; BOYD, Brian K. Information Asymmetry in Management Research: Past Accomplishments and Future Opportunities. 2019, p. 122.

¹³⁹ MARSHALL, Greg W.; MONCRIEF, William C.; RUDD, John M.; LEE, Nick. Revolution in Sales: The Impact of Social Media and Related Technology on the Selling Environment. 2012, pp. 349-363.

¹⁴⁰ ALPARSLAN, Adem. Strukturalistische Prinzipal-Agent-Theorie. 2006, p. 21.

¹⁴¹ BERGH, Donald D.; KETCHEN JR., David J.; ORLANDI, Ilaria; HEUGENS, Pursey P. M. A. R.; BOYD, Brian K. Information Asymmetry in Management Research: Past Accomplishments and Future Opportunities. 2019, p. 129.

¹⁴² STRHAN, R. Perception of Different Forms of Signalling as Source of Consumer Behaviour Classification. 2020, pp. 293-302.

which it must be liable. Hidden information can therefore also exist on the part of the principal by concealing material risk characteristics from the agent. The result may be that a purchased risk cannot be properly calculated and assessed, and the company will suffer disadvantages as a result.

Companies try to sell their products or services at the best possible price-performance ratio – in this regard, the insurance industry is no exception. With the increasing equality of products and services, this can only be achieved as long as the customer has less information about the products than the insurance companies. Provider changes have rarely been carried out in the past and loyalty has been high. Digitalization is changing this power relationship because the constant availability of information removes the permanent asymmetry. Thanks to the search engines and comparison portals that are always usable on the Internet, customers are always informed and can easily switch providers. Should a company exploit a knowledge edge to its advantage and to the detriment of the customer, success will only be short-lived. As soon as the customer notices the opportunistic behavior, the relationship of trust is disturbed, and he will choose another provider. A 2018 Forsa survey shows that consumer confidence in insurers has suffered greatly in the past, according to which only 27 % of the German population has confidence in insurance companies.¹⁴³

1.4.2 Signalling

The asymmetrical distribution of information stands in the way of a win-win situation between insurers and policyholders. The results of a contract concluded under these circumstances are suboptimal. In order to restore the symmetry of information distribution, the insurer has the option of sending signals to the customer. When it comes to signalling, the company sends signals to indicate trustworthiness and performance to the potential customer. Overall, the insurance industry suffers from a lack of customer confidence and a poor image. The providers with good characteristics want to differentiate themselves from the rest of the market participants through these measures, because the lack of trust in the providers with poor characteristics stains on the entire industry.¹⁴⁴

¹⁴³ Statista. Vertrauen Sie den folgenden Berufsgruppen voll und ganz, überwiegend, weniger oder überhaupt nicht? Trust in Professions 2018. 2018, available at: <https://de.statista.com/statistik/daten/studie/1470/umfrage/vertrauen-in-verschiedene-berufsgruppen/>. Retrieval took place on 27.03.2021.

¹⁴⁴ ALPARSLAN, Adem. Strukturalistische Prinzipal-Agent-Theorie. 2006, p. 30.

If the company can offer certain positive features that interest customers, but which are not immediately visible, the company can send signals to overcome the mistrust. If this signalling is successful, part of the costs can be refinanced by improved contractual conditions. However, even if the principal receives positive signals, it cannot be sure at first that it receives information about the actual properties. There is a risk that a competitor with poor characteristics will copy the positive signals.¹⁴⁵ For the insurance customer, these signals only have one value if they can trust them or if the positive characteristics are confirmed by a neutral third party. A Statista survey found that 94 % of all German insurance customers consider the seriousness of an insurance provider to be decisive.¹⁴⁶ In order to meet this claim, insurers can externally confirm their performance.

The insurance industry often uses cost-intensive certifications by public inspection bodies such as TÜV, Stiftung Warentest or various financial journals. With the help of these outside and neutral parties, attempts are made to solve the problem that any information provided by the current owner could be opportunistically distorted, leading to problems of negative choice.¹⁴⁷

1.4.3 Hidden action

Hidden action is a relationship partner's activity that the other partner cannot judge and that can harm them.¹⁴⁸ The agent's scope for maneuvers is not fully known to the principal. In the case of the hidden action models, the information asymmetry results only in the course of the contractual relationship and refers to the action of the agent.¹⁴⁹

The principal is unable to infer the action of the agent from the observed result of an action. This is because the outcome of the action is not solely due to the action of the agent but is also influenced by exogenous disturbances. The principal does not have the ability to

¹⁴⁵ ALPARSLAN, Adem. Strukturalistische Prinzipal-Agent-Theorie. 2006, p. 30-31.

¹⁴⁶ Statista. Wie wichtig ist ihnen der Aspekt „Seriosität“ bei ihrem Versicherungsanbieter? 2017, available at: <https://de.statista.com/prognosen/733391/umfrage-zur-wichtigkeit-von-seriositaet-bei-versicherern>. Retrieval took place on 24.05.2021.

¹⁴⁷ BERGH, Donald D.; KETCHEN JR., David J.; ORLANDI, Ilaria; HEUGENS, Pursey P. M. A. R.; BOYD, Brian K. Information Asymmetry in Management Research: Past Accomplishments and Future Opportunities. 2019, p. 129.

¹⁴⁸ BRUHN, Manfred. Relationship Marketing. 2016, p. 29.

¹⁴⁹ ALPARSLAN, Adem. Strukturalistische Prinzipal-Agent-Theorie. 2006, p. 49.

isolate the influence of the agent's action and exogenous influence, leaving the agent's action in secret.¹⁵⁰

1.4.4 Moral hazard

The concept of moral hazard originally comes from insurance science and describes the moral risk that an economic subject behaves opportunistically if he does not have to stand up for the consequences of his actions.¹⁵¹ This is a moral risk caused by opportunistic behavior, since the principal has either lack of knowledge or lack of control opportunities.¹⁵²

The concept of moral hazard is now part of economic usage.¹⁵³ In the insurance industry, this moral venture exists on both the supplier and the demand side. For example, it is conceivable that the seller does not fully inform the interested party about the product in order not to jeopardize the conclusion of the contract. The result may then be that the policyholder erroneously assumes that a risk is insured and that he or she will not be reimbursed in the event of a claim. The moral risk is therefore the result of an asymmetrical distribution of information between the parties involved. The customer knows the outcome of the action, but cannot assess ex post for himself, which part of the agent is due to exogenous influences. So the agent can opportunistically exploit the ignorance and the lack of control without being exposed.¹⁵⁴

On the other hand, there is also a moral risk if the policyholder changes his behavior after conclusion of the contract and accepts a higher risk, as the damage is covered by the insurance. From this it can be inferred that the origin of moral hazard lies in Hidden Information and/or Hidden Action. The insurer cannot verify whether the policyholder influences the risk due to his individual behavior, and thus has a potential disadvantage.¹⁵⁵

¹⁵⁰ ALPARSLAN, Adem. Strukturalistische Prinzipal-Agent-Theorie. 2006, p. 49.

¹⁵¹ EINAV, Liran; FINKELSTEIN, Amy. Moral Hazard in Health Insurance: What We Know and How We Know It. 2018, p. 957.

¹⁵² KOCH, Gottfried; OSTNER, Julia; PEISKER, Marco; SCHÜLKE, Oliver. Eine Analyse ultimatzen Verhaltens als Erklärungsansatz des moral hazards. 2009, p. 329.

¹⁵³ ERLEI, Mathias; LESCHKE, Martin; SAUERLAND, Dirk. Institutionenökonomik. 2016, pp. 112-140.

¹⁵⁴ KOCH, Gottfried; OSTNER, Julia; PEISKER, Marco; SCHÜLKE, Oliver. Eine Analyse ultimatzen Verhaltens als Erklärungsansatz des moral hazards. 2009, p. 317.

¹⁵⁵ WU, Shenan; GOODWIN, Barry K.; COBLE, Keith. Moral hazard and subsidized crop insurance. 2020, p. 131.; KOCH, Gottfried; OSTNER, Julia; PEISKER, Marco; SCHÜLKE, Oliver. Eine Analyse ultimatzen Verhaltens als Erklärungsansatz des moral hazards. 2009, p. 317.

There are various approaches to minimize the risk of moral hazard for both parties. For example, from the outset, the agent's scope of maneuvers can be limited in such a way that the agent does not have the opportunity to act opportunistically after the conclusion of the contract and that, in the event of an infringement, sanctions threaten.¹⁵⁶ Instead of reacting with restrictions to the possible opportunistic actions, the principal also has the possibility to set positive incentives.¹⁵⁷ He has the choice to install bonus systems, profit or equity investments that allow the agent to participate in the success of the contract. This type of action affects the cost of the better-informed site, which gives it the incentive to use its information in a way that maximizes overall success. The profit-sharing ensures that actions contrary to the interest of the principal would also entail disadvantages for the agent.

If the insurer assumes that the moral risk lies with the customer, the company can provide incentives to minimize the likelihood of damage. Thus, it is conceivable that premium rebates may be granted if the policyholder invests in the loss reduction. The possibility of an excess of the customer in the event of damage is also often used. The agreement of a deductible is intended to motivate the customer to adapt his behavior in such a way that the likelihood of damage decreases by increasing his risk aversion. In return, the insurer grants discounts and thus creates a situation from which both parties' benefit.¹⁵⁸

¹⁵⁶ KHALILI, Mohammad Mahdi; NAGHIZADEH, Parinaz; LIU, Mingyan. *Designing Cyber Insurance Policies: Mitigating Moral Hazard Through Security Pre-Screening*. 2017, p. 64.

¹⁵⁷ KOCH, Gottfried; OSTNER, Julia; PEISKER, Marco; SCHÜLKE, Oliver. *Eine Analyse ultimatzen Verhaltens als Erklärungsansatz des moral hazards*. 2009, p. 318.

¹⁵⁸ MOL, Jantsje M.; BOTZEN, W. J. Wouter; BLASCH, Julia E. *Risk reduction in compulsory disaster insurance: Experimental evidence on moral hazard and financial incentives*. 2020, p. 1.

2 Objectives of work

The research of the specialist literature has shown that there are extensive investigations on the topic of the reputation of companies. While research at the beginning looked at the effects of reputation independently of individual industries, in recent years, individual industries such as the automotive or travel industries have been looking more closely. For the area of corporate reputation at insurance companies, the literature research revealed that the topic has only been investigated rudimentarily so far and has therefore only been researched incompletely. Various scientific work deals with the factors relevant to measuring reputation across industries, but none of the reviewed research focused on the specifics of the insurance industry.

2.1 Research question

The research question underlying this dissertation is: What factors determine the reputation of insurance companies and what is the relationship between these factors and the reputation perceived by customers?

In order for a company to manage its reputation in a targeted manner, it must first determine which factors have any influence on the perceived performance at all. Because massive investments in reputation-building measures are only amortized if the management of the company assesses the relevance of the individual factors in the same way as the stakeholders.

After an overview of the state of the problem was obtained in the research phase I through a systematic literature research, the perspective of the insurers was examined in the research phase II. Subsequently, in the research phase III, the perspective of the customers, who are exemplary for the large number of stakeholders, was explored. The results of the first two research phases were verified by a customer survey followed by quantitative evaluation.

2.2 Main objective

Based on the current state of knowledge, key factors that determine the reputation of insurance companies are identified. To ensure that the reputational measures taken by the insurer lead to successful results and to model options for action, both the views of

companies and those of customers are examined. In order to show the impact social media can have on the reputation management of an insurance company, the work focuses its special attention on private clients.

2.3 Secondary objectives

At the same time as the main objective is to be examined with the help of this thesis, the following secondary objectives are to be investigated:

- Identification of factors that insurers consider to be crucial to their own reputation and estimate of weighting for individual factors
- Systematic derivation of factors that are critical to an insurance company's good reputation from the customer's point of view and determining key factors on which insurers should focus
- Positioning of social networks in the development and management of reputation
- Further investigation of possible different valuations by customers and insurers
- Derivation of concrete action for insurance undertakings

3 Methodology of work and research methods

3.1 Characteristics of the research object

In this thesis, it is investigated which factors have a significant influence on the formation of reputation – the focus is exclusively on the insurance industry. The German primary insurers and their retail business are examined, as commercial customers often have other ways to make decisions and have to follow decision criteria, which, for example, stipulate compliance rules. The view of the insurers was queried through twelve expert interviews. The experts work at various primary insurers in different departments at various hierarchical levels. Primary insurers were able to generate contributions of just under EUR 226 billion in Germany in 2021,¹⁵⁹ which illustrates the importance of this type of insurance for the economy. The customer view of the reputation of insurers was considered by an online survey of German and Slovak insurance customers, in which 224 customers participated.

The overall economic importance of this sector can be seen from the fact that in 2021 in Germany, EUR 2714 per inhabitant was spent on insurance.¹⁶⁰ Despite these conditions, most German primary insurers do not operate active reputation management but leave crisis management in case of reputational loss to chance, as demonstrated by the scandals of ERGO insurance and Debeka insurance.

3.2 Work steps

After the literature research in the first research phase, the perspective of insurers in the second research phase was examined by means of expert interviews. Figure 6 gives a graphical overview of the research design and the individual research phases.

¹⁵⁹ NGUYEN, Huu-Tam; STAFFA, Volker. Insurance – WZ65.1 -, Statista Industry Report - Germany. 2021, available at: <https://www.statista.com/study/46603/insurance-in-germany/>, retrieval took place on 29.04.2023.

¹⁶⁰ GDV, Gesamtverband der deutschen Versicherungswirtschaft. Versicherungsdichte der Erstversicherer in Deutschland in den Jahren 1950 bis 2021. 2022.

Figure 6: Research design



Source: Own presentation.

After a successful pretest, the view of the customers was examined in the third research phase and the results of the first two research phases were verified by a customer survey with a subsequent quantitative evaluation. The results of the various investigations were then combined and evaluated.

3.3 Type of data collection and its sources

3.3.1 Literature research

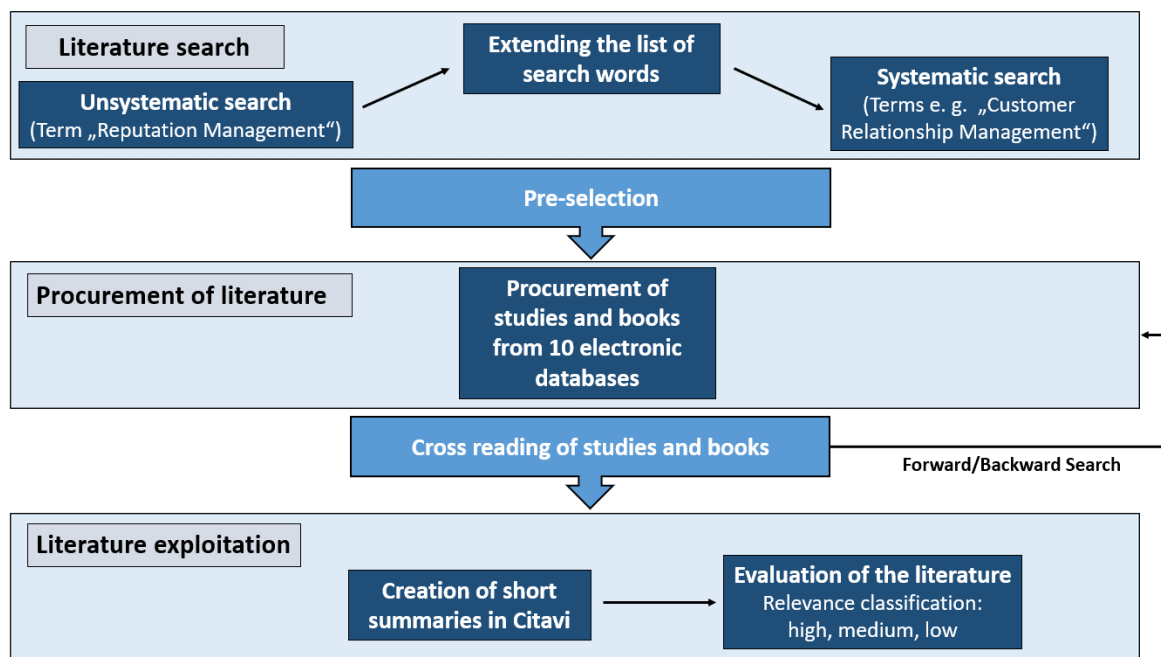
The starting point of the research is a consideration of the current state of knowledge through literature research, which is one of the qualitative research methods. The approach aims to shed light on and compare the different scientific perspectives. The fundamentals of the research are scientific articles, studies, conference papers and specialist books. As part of the systematic literature research, the three phases of literature search, literature procurement and literature utilization were successively passed through, which is shown in Figure 7.¹⁶¹

The first phase consisted of an unsystematic search for *reputation management*. The result led to an overview of the subject area. To proceed systematically, a search word list was created on the basis of the available results. The systematic search according to vom Brocke et al. was carried out using German and English terms.¹⁶² In addition, it was determined which databases should be used for the search.

¹⁶¹ OKOLI, Chitu - SCHABRAM, Kira, 2010. A Guide to Conducting a Systematic Literature Review of Information Systems Research. Spouts: Working Papers on Informations Systems. In: *SSRN Electronic Journal*, Vol. 10 (26), pp. 1-49. DOI: 10.2139/ssrn.1954824.

¹⁶² BROCKE VOM, Jan - SIMONS, Alexander - NIEHAVES, Bjoern - RIEMER, Kai - PLATTFAUT, Ralf - CLEVEN, Anne. Reconstructing the giant: On the importance of rigour in documenting the literature search process. In: *European Conference on Informations Systems (ECIS)*, 2009, Nr. 161, pp. 1-14. Available at: <https://aisel.aisnet.org/ecis2009/161>, [retrieval took place on: 27.06.2021].

Figure 7: Procedure for literature research



Source: Own presentation based on: Okoli C.; Schabram, K. 2010. Systematic Literature Review, pp. 1–49.

The following search engines were accessed for the literature research: Bielefeld Academic Search Engine (BASE), Google Scholar, IEEE Xplore, SAGE Journals, Science Direct, Scopus, Springer Link, Taylor & Francis, Web of Science, Wiley Online Library.

The preselection of the literature was made based on the keywords of the sources, the title and the abstracts. The search queries had its own specifications for each of the portals used, as for some search engines the number of hits was extremely high. The time of publication or the limitation to journals or books (-ISBN or +DOI) were used to narrow down the search.

3.3.2 Expert interviews

In a further step, twelve structured expert interviews were conducted to obtain practical data. The discussions took place with experts and executives from the insurance industry. Contacts with the interview partners were established in the professional environment of the authors. A topic-focused guide with defined categories served as a survey tool and was previously verified with the help of a pretest. The various experts answered the questions independently in individual interviews conducted via Microsoft Teams. The guide was not used as a standardized process to consider sudden topic extensions that emerged during the interviews. This ensured that unexpected aspects find their place in the

investigation. The guideline of the expert interviews served the structuring of the subject area as well as the investigation and thus has a central orientation function. It considers the principles of qualitative research, in particular the principle of openness.

3.3.3 *Online survey*

The development of the online survey questionnaire was based on the findings of the previous two phases of research. The coding system developed with the results of the expert interviews, which is presented in Figure 8, served as the basis for the development and formulation of the questions. After the evaluation of the expert interviews, it turned out that the factor *perception of the quality of the products and services* must be divided into the two factors *products* and *services/services*, as these sub-areas were assessed very differently by the interview partners. The present research on reputation in other industries assumes that these items can be summarized. However, since the insurance industry differs from the other sectors due to the strong legal regulation, it was assumed that the items *quality of products* and *services and support* are also considered differentiated by insurance customers. This finding was considered in the survey before the pretest was performed.

After the pretest showed the potential for optimization, some technical improvements were incorporated into the survey. The survey began on 30.6.2022 and lasted until 23.8.2022. A total of 224 insurance customers responded to the survey.

The online survey was conducted with Microsoft Forms and the link leading to the survey was distributed to friends, relatives, and study colleagues of the authors, as well as on the social networks LinkedIn, XING, Instagram and Facebook. In addition, former participants of the doctoral program and professors at the Bratislava University of Economics and Business were also given the opportunity to participate in the survey. The respondents had the opportunity to share their perception of the relevance of the individual factors in terms of the formation of corporate reputation on a Likert scale of $1 = \text{'fully applies'}$ up to $6 = \text{'does not apply at all'}$. In addition to the questions about the individual items and factors, some demographic data such as gender, age group and place of residence were also queried. By collecting these data, a cross-border comparison between Germany and Slovakia is possible – or a comparison between men, women and different age groups in the respective countries. The quantitative evaluation of the data was carried out with the

help of the statistics program jamovi. The data from Microsoft Forms was transferred to an Excel spreadsheet, which was converted to a csv file and read into jamovi.

3.4 The methods used to evaluate and interpret the results

After a systematic literature research was carried out in the first research phase, expert interviews with experts from the insurance industry followed in the second phase. The approaches of qualitative content analysis according to Mayring, which belong to the qualitative research methods, were used for the evaluation of the interview records. The text files were read into MAXQDA and a code system for evaluation was determined.

At the beginning of the third research phase, a questionnaire for an online survey of insurance customers was developed from the results of the previous research phases. The quantitative evaluation of the results was carried out with the help of the statistics program jamovi. As statistical methods, the exploratory factor analysis and the confirmatory factor analysis were carried out alternately.

3.5 Statistical methods

From the literature research, factors that are held responsible for the formation of reputation were identified. These factors served as the basis for twelve semi-structured expert interviews. For orientation in the evaluation of the conversation records, the approaches of qualitative content analysis according to Mayring were used. For this purpose, the video recordings were transcribed and archived into individual files. Due to the colloquial expression, some expressions were adapted to the written language during the transcription. The text files were then read into MAXQDA. Since some interviews had a different structure from the guide, the statements were arranged meaningfully. The development of a code system for evaluation facilitated the assignment of the respective statements to the individual factors. The code system is shown in Figure 8.

Figure 8: List of codes

Code Category	Count
Codesystem	441
Emotionale Ansprache der Stakeholder	36
Wertschätzung der Mitarbeiter	13
Moderner Arbeitsplatz	6
Social Media	30
Verantwortungsvoller Umgang mit den Unternehmenswerten	34
Unabhängigkeit des Versicherers	7
Vision	2
Faire Bezahlung der Mitarbeiter	16
Ertrags- und Finanzkraft	32
Internationalität	24
Wahrnehmung der Qualität der Produkte und Dienstleistungen	61
Innovation	19
Verständliche Versicherungsbedingungen	14
Smarte, digitale Lösungen	24
Schnelligkeit	17
Verantwortung im Umgang mit Gesellschaft und Natur (soziale ...)	41
papierloses Arbeiten	9
Allgemeine Managementqualität	33
Qualifikation der Mitarbeiter	23
Sets	0

Source: MAXQDA.

Notice: Emotionale Ansprache der Stakeholder = emotional appeal to stakeholders, Wertschätzung der Mitarbeiter = appreciation of employees, Moderner Arbeitsplatz = modern workplace, Social Media = social media, Verantwortungsvoller Umgang mit den Unternehmenswerten = responsible approach to corporate values, Unabhängigkeit des Versicherers = independence of the insurer, Vision = vision, Faire Bezahlung der Mitarbeiter = fair payment of employees, Ertrags- und Finanzkraft = earnings and financial strength, Internationalität = internationality, Wahrnehmung der Qualität der Produkte und Dienstleistungen = perception of the quality of products and services, Innovation = Innovation, Verständliche Versicherungsbedingungen = Understandable insurance conditions, Smarte, digitale Lösungen = smart, digital solutions, Schnelligkeit = Speed, Verantwortung im Umgang mit Gesellschaft und Natur = responsibility in dealing with society and nature, Papierloses Arbeiten = paperless work, Allgemeine Managementqualität = general management quality, Qualifikation der Mitarbeiter = employee qualification.

Mutually affirmative statements were summarized and statements to the contrary were compared to disclose different perspectives. At the end of each interview, the interviewees were asked to weight the importance of the factors with the help of a Likert scale of 1 to 6. From these data, the respective mean of the factors with the corresponding standard deviations was determined.

The results served as the basis for an online survey. A total of 224 insurance customers took part in the survey. In the course of quantitative research, the reliability of the questionnaire was initially confirmed by the calculation of Cronbach's Alpha. To determine whether the data are suitable for factor analysis, the Kaiser-Meyer-Olkin-Measure (KMO) was determined for the individual variables. The KMO value indicates whether the individual variables are suitable for factor analysis. The data collected by the questionnaire are partially ordinal and partially nominally scaled.

To uncover new relationships within the data set, to recognize correlations and to summarize the variables into new factors, factor analysis was chosen as a statistical method. This method reduced the complexity of the dataset. The survey is based on seven factors that are held responsible for the formation of reputation among insurance companies, which is why a confirmatory factor analysis was used at the beginning of the evaluation. The aim of factor analysis is to determine a factor structure that is stable and can be replicated in other investigations. With the help of the Scree Test, the eigenvalues were shown in diagram form (see Figure 10). It has been specified that a variable must be greater than 0.30 to load on a factor.

The variables were regrouped using the exploratory factor analysis. A number of five factors explain the reputation construct without having to exclude individual variables from the evaluation. The variables that were attributed to several factors in the analysis have always been assigned to the factor at which they had the highest value during the redistribution. A final evaluation by a renewed confirmation factor analysis confirmed the number of factors. At the end of the online survey, insurance customers were also asked to weight the individual factors based on a Likert scale of 1 to 6.

4 Results of the work

4.1 Evaluation of literature research

As a result of the literature research, six factors were identified, which are blamed by the leading authors in the field of reputation research for the formation of reputation. Table 2 shows the different six factors and at the same time lists which variables the respective factors are composed of. The prerequisite for entering the table of the most important factors was that different authors regard the relevant points as relevant for the formation of reputation.

Table 2: Categories derived from the current state of research

Category	Sources
1. General management quality <ul style="list-style-type: none"> ○ Qualified employees ○ Imaginable as an employer ○ Employee orientation ○ Appearance liked 	<p>Fombrun, Charles J.; Gardberg, Naomi A. Who's Tops in Corporate Reputation? 2000, P. 1314</p> <p>Fryxell, Gerald E. – WANG, Jia, 1994. The Fortune Corporate 'Reputation' Index: Reputation for what? In: Journal of Management, Vol. 20 (1), p. 114. DOI: 10.1177/014920639402000101</p> <p>Schwaiger, Manfred, 2004. Components and Parameters of Corporate Reputation – An Empirical Study. In: Schmalenbach Business Review, Vol. 56 (1), p. 4671. DOI: 10.1007/BF03396685</p>
2. Responsibility in dealing with society and nature (social responsibility/environmental orientation) <ul style="list-style-type: none"> ○ Ethical behavior ○ Not just profit-oriented ○ Social responsibility ○ Environmental commitment ○ Honest information ○ Transparency and openness ○ Social responsibility ○ Support for good purposes 	<p>Fombrun, Charles J.; Gardberg, Naomi A. Who's Tops in Corporate Reputation? 2000, P. 1314</p> <p>Fryxell, Gerald E. – WANG, Jia, 1994. The Fortune Corporate 'Reputation' Index: Reputation for what? In: Journal of Management, Vol. 20 (1), p. 114. DOI: 10.1177/014920639402000101</p> <p>Schwaiger, Manfred, 2004. Components and Parameters of Corporate Reputation – An Empirical Study. In: Schmalenbach Business Review, Vol. 56 (1), p. 4671. DOI: 10.1007/BF03396685</p>
3. Perception of the quality of products and services <ul style="list-style-type: none"> ○ Price/performance ratio ○ Quality ○ Innovative power ○ Customer orientation 	<p>Fombrun, Charles J.; Gardberg, Naomi A. Who's Tops in Corporate Reputation? 2000, P. 1314</p> <p>Fryxell, Gerald E. – WANG, Jia, 1994. The Fortune Corporate 'Reputation' Index: Reputation for what? In: Journal of Management, Vol. 20 (1), p. 114. DOI: 10.1177/014920639402000101</p> <p>Schwaiger, Manfred, 2004. Components and Parameters of Corporate Reputation – An Empirical Study. In: Schmalenbach Business Review, Vol. 56 (1), p. 4671. DOI: 10.1007/BF03396685</p>

Category	Sources
4. Income and financial strength <ul style="list-style-type: none"> ○ Value as a long-term investment ○ Growth dynamics ○ Outperforms competitors ○ Low-risk investment ○ Market leadership ○ Ability to act globally, internationalization 	<p>Fombrun, Charles J.; Gardberg, Naomi A. Who's Tops in Corporate Reputation? 2000, P. 1314</p> <p>Fryxell, Gerald E. – WANG, Jia, 1994. The Fortune Corporate 'Reputation' Index: Reputation for what? In: Journal of Management, Vol. 20 (1), p. 114. DOI: 10.1177/014920639402000101</p> <p>Schwaiger, Manfred, 2004. Components and Parameters of Corporate Reputation – An Empirical Study. In: Schmalenbach Business Review, Vol. 56 (1), p. 4671. DOI: 10.1007/BF03396685</p>
5. Responsible handling of corporate values <ul style="list-style-type: none"> ○ Inspiring vision ○ Leadership ○ Clear values ○ Fair payment ○ Attractive workplace ○ Pleasant working environment ○ Independence 	<p>Fombrun, Charles J.; Gardberg, Naomi A. Who's Tops in Corporate Reputation? 2000, P. 1314</p> <p>Fryxell, Gerald E. – WANG, Jia, 1994. The Fortune Corporate 'Reputation' Index: Reputation for what? In: Journal of Management, Vol. 20 (1), p. 114. DOI: 10.1177/014920639402000101</p> <p>Schwaiger, Manfred, 2004. Components and Parameters of Corporate Reputation – An Empirical Study. In: Schmalenbach Business Review, Vol. 56 (1), p. 4671. DOI: 10.1007/BF03396685</p>
6. Emotional Address of Stakeholders <ul style="list-style-type: none"> ○ High Identification with the Company ○ Greater regret in case of disappearance ○ Feels good ○ Trust ○ Admiration and respect ○ Reliability ○ Credibility ○ Communication performance 	<p>Fombrun, Charles J.; Gardberg, Naomi A. Who's Tops in Corporate Reputation? 2000, P. 1314</p> <p>Schwaiger, Manfred, 2004. Components and Parameters of Corporate Reputation – An Empirical Study. In: Schmalenbach Business Review, Vol. 56 (1), p. 4671. DOI: 10.1007/BF03396685</p>

Source: Own table.

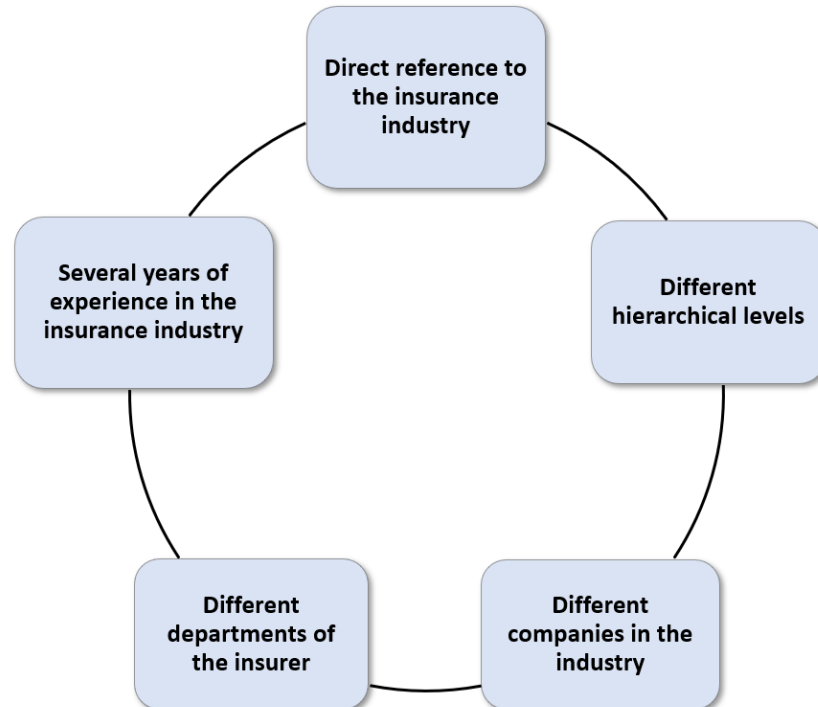
The variables below the factors come from the authors listed in column 2 and show in detail what influences are responsible for the formation of the individual factors. The six factors subsequently served as the basis for the development of the interview guide, with the help of which the expert interviews were prepared.

4.2 Evaluation of expert interviews

To generate empirical data from qualitative research, twelve semi-structured expert interviews were conducted. The discussions took place with experts, executives and employees from the insurance industry. Based on the expert interviews, the perspective of the insurance industry is examined. The contacts with the interview partners were made from the professional environment of the authors. To obtain as representative statements as

possible, the selection of interview partners was carried out according to the criteria Figure 9 describes.

Figure 9: Selection criteria for interview partners



Source: Own presentation.

A topic-focused guide with defined categories served as a survey tool and was previously verified with the help of a pretest. The defined categories come from the results of the literature research (see Table 2) and are, according to various authors, responsible for the formation of reputation in different industries. The various experts answered the questions independently of each other in individual interviews. The guide was not used as a standardized process to consider unexpected topic extensions that emerged during the interviews. This ensured that any unforeseen aspects might find their place in the investigation. The guideline of the expert interviews served the structuring of the subject area as well as the investigation and thus has a central orientation function. It considers the principles of qualitative research, in particular the principle of openness.

At the beginning of the interviews, the topic and the research goal were explained to the interview partners. The participants of the interviews were assured that the data will be anonymized and aggregated. After approval for the recording was given via Microsoft Teams, respondents were asked to introduce themselves briefly. To ensure the comparability

of the individual interviews, the interviews were conducted with the help of the previously created interview guide. Since the guide contained mainly open questions and answers partly affected several factors at the same time, flexible action was taken, and targeted requests were made at the points that left room for interpretation. At the end of each interview, the interviewees were asked to give their personal assessment of how crucial each individual factor is for the formation of corporate reputation. Here, a Likert scale of $1 = \text{'Fully applies'}$ up to $6 = \text{'does not apply at all'}$. The interviews were conducted between 10.12.2021 and 15.3.2022 via Microsoft Teams and lasted between 30 and 70 minutes.

Interviewees were asked to give their personal assessment of the importance of the individual factors and to say whether the respective factor contributes in a significant or rather insignificant way to the formation of reputation among insurance companies. Table 3 shows the weighting of the factors by the interview partners including the respective standard deviation.

Table 3: Weighting of factors by the interviewees

Factor	Mean	Standard deviation
General management quality	2.17	2.89
Responsibility in dealing with society and nature	3.00	1.29
Perception of the quality of products and services	1.50	2.89
Income and financial strength	2.83	2.00
Responsible handling of corporate values	1.92	2.81
Emotional Address of Stakeholders	1.92	1.91

Source: Own table.

Table 4 shows the detailed meaning of the individual values of the Likert scale in text form. The lower the mean of a factor, the more significant this factor is for the formation of an insurance company's reputation.

Table 4: Likert scale for weighting factors

Value	Meaning
1	Fully applicable
2	This is mostly true
3	Applies only partially
4	Rather, it is not true
5	This is mostly not true
6	Does not apply at all

Source: Own table.

4.2.1 *General management quality*

The interview partners stated that in their eyes, good management is far-sighted and stands for continuity. It ensures clear structures and lives ahead of what it expects from its employees. The goal of high-quality management is to ensure that employees perform their tasks in the best possible way. At the same time, the training of employees serves as a protection against exogenous shocks, the frequency of which increases due to the increasing dynamization of the economy. Examples of this are the developments during the COVID-19 pandemic, which has significantly changed the world of work for many employees. Technically well-trained employees have made it easier to respond to such changes and thereby improve their employer's reputation. According to respondents, customers immediately feel whether employees are well-qualified, which is why the importance of this factor was quantified with a mean value of 2.17.

4.2.2 *Responsibility in dealing with society and nature*

This factor was characterized by an inconsistent view by the interview partners. For some of the people surveyed, this point is particularly important, others say that their customers don't think about whether the insurance they take out is sustainable. The sales-related interviewees stated that, according to their experience, it is crucial for the client whether the returns of the respective investment products or the insurance contributions are correct. Sustainability issues would only be considered subordinated. On the one hand, it is essential to talk about corporate social responsibility (CSR) activities, while others see the danger of greenwashing.

Paperless work and digital communication are expected by customers, but at the same time it is also an end for insurers, as this can reduce costs. Customers are increasingly

questioning whether individual processes such as invoice shipping cannot be digitized. While sustainability is important in the external presentation of insurance companies, there is also a risk of dilution, because according to the interlocutors through the EU directive, almost everything and everyone is sustainable. As an example, the classification of the sustainability of nuclear power plants was given here. According to the experts, the sustainability of insurers is more to be seen as a hygiene factor, which only becomes decisive once a company does not behave sustainably. The resulting negative public presentation could lead to a loss of reputation. With a mean value of 3.00, this factor gets the weakest value of all the factors queried during the interviews.

4.2.3 Perception of the quality of products and services

The evaluation of this factor has shown that the quality of the products and those of the services must be considered separately. In the opinion of the experts, customers cannot assess the quality of an insurance product – the service of the insurer and the customer reviews on the Internet. Due to the regulatory requirements, many insurance products differ only marginally from each other. The scope of design of the product development departments is limited and the further development of existing products is not an innovation. However, the results of the interviews indicate that innovation must not only relate to the products but can also apply to the accompanying services. This also includes understandable insurance conditions, which help to avoid misunderstandings and clearly show the customer what is insured and what is not.

The expectation of digitized processes is that they will become easier and faster. The interview partners are of the opinion that the speed of feedback and the duration of the processing have an influence on the reputation. You believe that good customer service necessarily involves fast response times. In doing so, customers transfer their experience with other companies in other industries to the insurance industry. It is not distinguished from them whether the company is a digitally positioned company such as Amazon or a more conservative insurance company.

Only in the event of damage materializes the intangible product insurance. Since a claim is basically a negative event, insurers must ensure that the customer has positive experiences in connection with his insurer even without a claim, for example by promoting prevention, so that precautionary measures do not even occur at all. With a mean value of

1.50, this factor received the best value of all factors from the subjects. The experience gained from the discussions led to the fact that in the further course of the investigation this factor was divided into the factors *of quality of insurance products* and *quality of service of insurers*.

4.2.4 Income and financial strength

According to the interlocutors, the importance of the income and financial strength factor depends on the type of insurance sought. The importance decreases when it comes to low-priced, short-term, or standardized products such as car liability insurance. However, if the customer is interested, for example, in a capital life insurance or pension insurance, the importance of income and financial strength for the reputation of an insurer increases. The customer needs the assurance that the company still exists in decades when the insurance is due and that it is sufficiently solvent to serve its claims. Due to the highly regulated reporting system and the requirements of Solvency II, companies on the capital side are highly transparent, allowing industry insiders to get a good overview of the financial state of the competition.

Larger companies can make better use of the economies of scale in risk assessment and access a larger pool of data when calculating premiums, which in turn leads to more robust calculations. The risk of individual large-scale damage is mathematically minimized by a larger set of contracts. This increases customer acceptance and attractiveness in the eyes of the interview partners. However, the influence on the formation of reputation is perceived as not particularly strong at 2.83. It is the second largest value of all the queried factors.

4.2.5 Responsible handling of corporate values

The respondents were of the uniform opinion that company values from corporate management to employees must also be filled with life. Unlived company values are therefore not overlooked by customers and employees and can create a negative reputation. While paying one's own employees has an impact on the reputation, it is not decisive for the reputation of an insurance company. It is noted that too high salaries could have a more negative impact on reputation than too low. The risk of underpayment of insurance employees exists only in the outsourced subsidiaries of the groups, which are not subject to the tariff rules of the insurance industry.

Although the independence of an insurer gives companies more freedom of choice, it does not matter to the customer when it comes to the formation of reputation. In some technology-driven industries, it is considered essential that corporate governance follows a vision, as Steve Jobs has done for many years at Apple. The interviewees are of the opinion that this plays a minor role in the insurance industry due to regulation and has no influence on the formation of reputation in insurance companies. The factor received an overall rating of 1.9 by the respondents.

4.2.6 Emotional address of stakeholders

As the sixth factor, the emotional response of the stakeholders was queried. The interlocutors agree that each target group needs their individual approach, and that communication must take place at eye level. The days in which customers appear as providers of insurers are over. However, despite further increasing digitalization, the desire for personal contacts is increasing. According to the interviewees, customers want the best of both worlds.

The use of social media is imperative to get in touch with the young generation. However, some interlocutors believe that insurers have not yet understood that social media is about more than numbers, data and facts. Crucial in this context is that the nature and the way of expression in communication are adapted to the channel used. For example, using the personal address via you on most social networks is the norm and a formal address would not reach the target group. On the other hand, it is inconceivable that an established insurer will do its business partners in correspondence. Exceptions to this are only a few start-ups, which primarily take care of the younger target groups and thus adapt the way of their communication to the target group.

There is no direct sale via social media, but distribution uses the media to initiate business and position itself in the minds of customers as advisers on insurance matters. At the same time, the importance of the rating platforms on the Internet, on which customers share their personal experiences with insurers and their products, is growing. These platforms are attested to a high level of credibility by customers, as customer reviews are written for customers. Direct distribution takes place via those comparison portals on the Internet that act as insurance brokers in the sales process and have set themselves at the interface between companies and customers.

Inconsistent statements were made about the importance of a modern workplace. On the one hand, it was said that customers are not interested in whether the workplace of an insurance employee is modern, on the other hand, according to the respondents, the customers presuppose a good technical equipment of the insurers. This was particularly evident in the time of lockdowns in 2020 and 2021, when companies had to switch to home office within a very short time without neglecting customer service. Representative corporate headquarters are statements for economic strength in the eyes of the experts.

4.3 Evaluation of the survey of insurance customers

After examining the insurers' point of view in the second phase of research, the third research phase examined the perspective of the customers. To verify the results of the first two research phases, a customer survey with subsequent quantitative evaluation was carried out. For this purpose, insurance customers in Germany and Slovakia were interviewed. The prerequisite for participating in the survey was a minimum age of 18 years for respondents to be eligible as potential insurance customers.

After the evaluation of the expert interviews, it turned out that the factor *perception of the quality of the products and services* must be divided into the two factors *products* and *services/support*, as these sub-areas were assessed very differently by the interview partners. The present research on reputation for other industries assumes that these variables can be summarized. However, as the insurance sector differs from the other sectors due to the strong legal regulation, it was assumed that the variables *quality of products* and *services/support* are also considered differentiated by insurance customers. This finding was taken into account in the survey before the pretest was performed.

The first step was to check the reliability of the questionnaire, which was carried out by calculating Cronbach's Alpha and the mean value. The result of 0.780 in Table 5 confirmed a sufficient reliability.

Table 5: Cronbach's Alpha

Scale reliability statistics		
	Mean	Cronbach's α
Scale	2.50	0.780

Source: Own table based on jamovi.

The KMO has been identified and is represented in Table 6. If a value is < 0.5 , the variable should be excluded. The result of 0.685 confirms that all variables are suitable for factor analysis.

Table 6: KMO values

KMO measure of sampling adequacy	
	MSA
Overall	0.685
Education	0.609
Technical equipment	0.717
Employee satisfaction	0.775
Sustainability	0.762
Digital communication	0.784
CSR	0.751
Comparison portal quality testing	0.713
Speed of feedback	0.552
Speed during processing	0.535
Size of the insurer	0.629
Financial strength of the insurer	0.647
Internationality	0.783
Values	0.711
Disclosure of commission	0.656
Social media	0.726
Comparison portals before graduation	0.688
Price	0.671
Competency	0.586
Comprehensible conditions	0.668

Source: Own table based on jamovi.

The survey is based on seven factors responsible for the formation of reputation among insurance companies, which is why a confirmatory factor analysis was used at the beginning of the evaluation (see Table 7). These are the six factors that come from literature research. The seventh factor results from the previously described splitting of the *quality of insurance products and services* into two separate factors. The variable *services* can be found in the *service quality factor of insurers*.

Table 7: Confirmatory factor analysis with seven factors

Confirmatory factor analysis with seven factors

Factor	Indicator	Estimate	SE	Z	P	Stand up. Estimate
General management quality	Competency	0.1829	0.0723	2.528	0.011	0.2482
	Education	0.3493	0.0731	4.782	Lt;.001	0.5876
	Contentment	0.4832	0.1057	4.570	Lt;.001	0.5284
Quality of service of insurers	Comprehensible conditions	0.0447	0.0450	0.993	0.321	0.0700
	Speed during processing	0.6248	0.0521	12.002	Lt;.001	0.8609
	Speed of feedback	0.6273	0.0495	12.668	Lt;.001	0.9257
	Technical equipment	0.2438	0.0789	3.088	0.002	0.2318
Responsibility in dealing with society and nature	Sustainability	1.1573	0.1023	11.307	Lt;.001	0.7407
	Digital communication	0.5951	0.0928	6.413	Lt;.001	0.4342
	CSR	1.3459	0.0932	14.442	Lt;.001	0.9165
Quality of insurance products	Comparison portal quality testing	1.2617	0.2533	4.981	Lt;.001	0.9906
	Price	0.1972	0.0811	2.432	0.015	0.1830
Income and financial strength of insurers	Size	0.7353	0.0681	10.791	Lt;.001	0.7716
	Financial strength	0.7719	0.0673	11.464	Lt;.001	0.8508
	Internationality	0.7511	0.1094	6.867	Lt;.001	0.5124
Responsible handling of corporate values	Values	0.5992	0.1046	5.731	Lt;.001	0.6346
	Disclosure of commission	0.4941	0.1206	4.097	Lt;.001	0.3332
Emotional address of stakeholders	Social media	0.4497	0.0978	4.599	Lt;.001	0.3339
	Comparison portals before graduation	1.1058	0.1295	8.541	Lt;.001	0.8296

Source: Own table based on jamovi.

The surveyed insurance customers were also asked to give their personal assessment at the end of the questionnaire as to how relevant the respective factors for the formation of reputation are. The results are detailed presented in Table 8 and show in almost all factors significant differences between the perspectives of insurers and those of insurance customers.

Table 8: Average customer view vs. insurer view

	General management quality	Responsibility in dealing with society and nature	Quality of insurance products	Yield and finance power of the insurer	Responsible handling of company values	Emotional address of stakeholders	Service quality
N	197	224	224	224	224	224	197
Missing	28	1	1	1	1	1	28
Mean Clients	1.77	3.38	2.92	2.78	2.41	2.94	1.82
Median	1.67	3.33	3.00	2.67	2.00	3.00	1.75
Standard deviation	0.509	1.18	0.908	0.903	0.962	1.07	0.503
Minimum	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maximum	3.67	6.00	6.00	6.00	6.00	6.00	3.25
Mean Insurer	2.17	3.00	1.50	2.83	1.92	1.92	1.50

Source: Own table based on jamovi.

From the customer's point of view, *overall management quality* has the greatest impact on the reputation of an insurance company. This factor got the best value with a mean value of 1.77. There is a consensus between the insurance customers surveyed and the experts when assessing the importance of *responsibility in dealing with society and nature*. With a mean value of 3.38, this factor is even less important for customers than for insurers (3.0). This is even more astonishing as this topic has a strong presence in all media. Obviously, public reporting does not reflect the views of insurance customers.

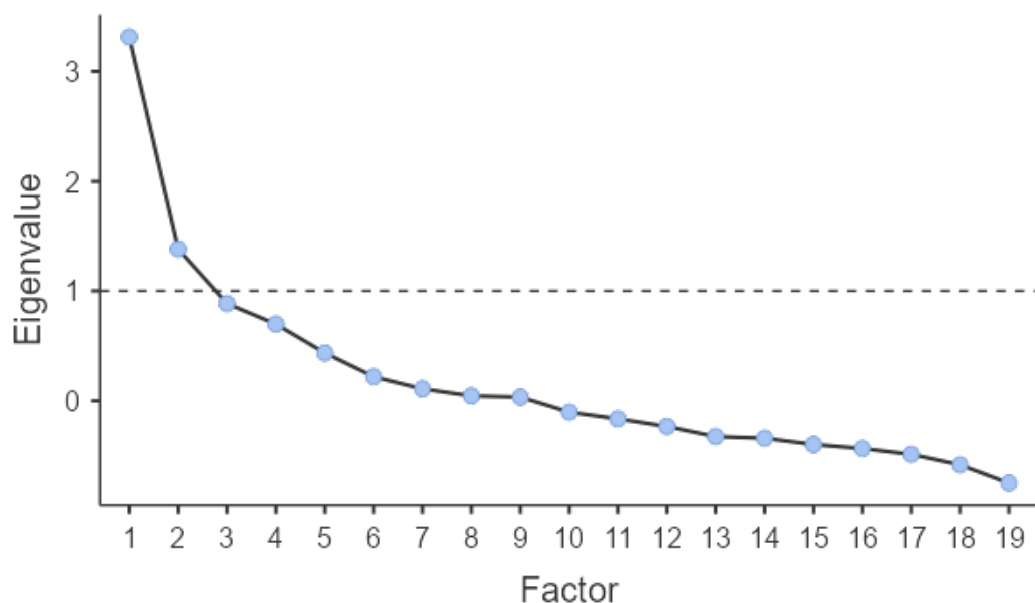
The biggest deviation in the assessments of the two target groups is the *quality of the insurance products*. This is considered by insurers to be significantly more crucial than by their customers. Obviously, customers do not deal intensively with the differences between the individual products. The differences are usually only small due to the strict legal requirements, so that they are not perceived by the customers. Since the customer's evaluation of the *service quality* factor is significantly better with a mean value of 1.82, it was useful to look at the variables originally grouped in one factor separately from each other in order to achieve a better discriminatory power.

While there is only a small difference between insurers and their customers when assessing the importance of an *insurer's earnings and financial strength*, the difference in the *emotional approach of stakeholders* (2.94 vs. 1.92) is significantly bigger. Among other things, this factor asked about the importance and use of social networks. The result correlates with the evaluation of the distribution channels, according to which Internet sales are significantly less used than personal sales (see Table 31). The *responsible handling of corporate values* is classified similarly by both groups. Although the interview partners consider the relevance to be even higher than the customers (2.41 vs. 1.92), this factor takes third place for both target groups.

4.3.1 Determination of the number of factors

The aim of factor analysis is to determine a factor structure that is stable and can be replicated in other investigations. With the help of the Scree test, the eigenvalues are displayed in diagram form. The Scree plot in Figure 10 has an optimal number of two to three factors. However, with a reduction to two to three factors, it is difficult to interpret the results in terms of content.

Figure 10: Scree Plot



Source: Jamovi.

The evaluations showed that nine variables are not included in the calculation in a two-factor calculation. Table 9 shows that these are the variables:

- *Technical equipment,*
- *Satisfaction of employees,*
- *Price,*
- *Comprehensible conditions,*
- *The size of the insurer,*
- *The financial strength of the insurer,*
- *Disclosure of commissions,*
- *Competence of employees,*
- *Training of employees*

It has been specified that a variable must be greater than 0.30 to load on a factor.

Table 9: Exploratory factor analysis with two factors

Exploratory factor analysis with two factors

	Factor		Uniqueness
	1	2	
Technical equipment			0.8667
Employee satisfaction			0.9220
Sustainability	0.748		0.4508
Digital communication	0.433		0.7671
CSR	0.802		0.3562
Comparison portal quality testing	0.558		0.6806
Price			0.9481
Speed of feedback		0.970	0.0641
Speed during processing		0.816	0.3275
Comprehensible conditions			0.9586
Size of the insurer			0.9247
Financial strength of the insurer			0.9171
Internationality	0.561		0.6737
Values	0.513		0.7410
Disclosure of commission			0.9307
Social media	0.344		0.8834
Comparison portals before purchase	0.530		0.7147
Competency			0.9650
Education			0.9601

Note. 'Maximum likelihood' extraction method was used in combination with a 'Oblimin' rotation

Source: Jamovi.

If the exploratory factor analysis is calculated with three factors, the variables *of the insurer's size* and *financial strength of the insurer* are included in the calculation, but the seven other factors are not considered here either, which Table 10 illustrates this.

Table 10: Exploratory factor analysis with three factors

Exploratory factor analysis with three factors				
	Factor			Uniqueness
	1	2	3	
Technical equipment				0.826
Employee satisfaction				0.879
Sustainability	0.740			0.452
Digital communication	0.462			0.742
CSR	0.818			0.333
Comparison portal quality testing	0.586			0.657
Price				0.928
Speed of feedback			0.891	0.188
Speed during processing			0.892	0.210
Comprehensible conditions				0.959
Size of the insurer		0.693		0.506
Financial strength of the insurer		0.918		0.166
Internationality	0.476	0.352		0.592
Values	0.492			0.746
Disclosure of commission				0.918
Social media	0.303			0.868
Comparison portals before purchase	0.570			0.680
Competency				0.960
Education				0.876

Note. 'Maximum likelihood' extraction method was used in combination with a 'Oblimin' rotation

Source: Jamovi.

The variables were then regrouped using the exploratory factor analysis. Even in the exploratory factor analysis with four factors, seven variables are not included in the calculation. Although the variable *disclosure of commissions* with a low value of 0.360 is considered and the variables *comparison portal quality testing* and *comparison before purchase* form the new factor of *social branding* before completion, but the variable *social media* stands out, as Table 11 can be seen in.

Table 11: Exploratory factor analysis with four factors

Exploratory factor analysis with four factors					
	Factor				Uniqueness
	1	2	3	4	
Technical equipment					0.814
Employee satisfaction					0.877
Sustainability	0.747				0.421
Digital communication	0.454				0.728
CSR	0.888				0.214
Comparison portal quality testing			0.787		0.342
Price					0.882
Speed of feedback				0.892	0.182
Speed during processing				0.892	0.211
Comprehensible conditions					0.951
Size of the insurer		0.704			0.489
Financial strength of the insurer		0.906			0.193
Internationality	0.308	0.385			0.601
Values	0.498				0.735
Disclosure of commission			0.360		0.866
Social media					0.846
Comparison portals before purchase			0.861		0.283
Competency					0.943
Education					0.880

Note. 'Maximum likelihood' extraction method was used in combination with a 'Oblimin' rotation

Source: Jamovi.

A manual reorganization of the variables in the context of the exploratory factor analysis showed that a number of five factors explain the construct reputation without having to exclude some variables from the evaluation. The variables that have been attributed to several factors in the analysis have now always been assigned to the factor at which they had the highest value during the redistribution. With the help of Table 12 the variables, the variables were regrouped, and five factors were formed.

Table 12: Exploratory factor analysis with five factors

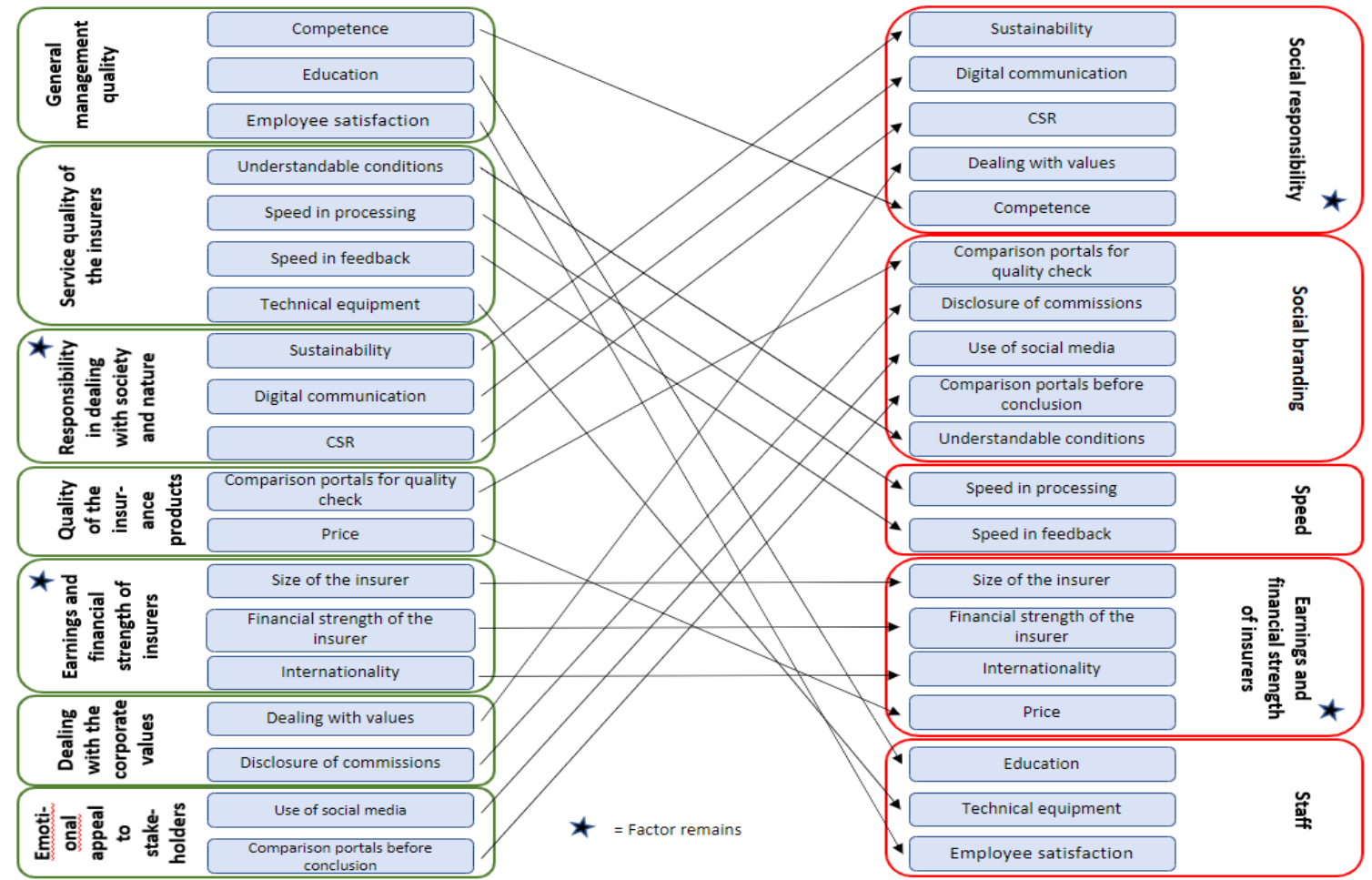
Exploratory factor analysis with five factors						
	Factor					Uniqueness
	1	2	3	4	5	
Education					0.784	0.37101
Technical equipment	0.239				0.502	0.61562
Employee satisfaction	0.138			0.131	0.379	0.77447
Sustainability	0.790					0.36308
Digital communication	0.456		0.168	0.133	0.106	0.71579
CSR	0.833					0.26712
Comparison portal quality testing		0.840				0.28409
Speed of feedback			0.997			0.00500
Speed during processing			0.798			0.34831
Size of the insurer				0.801		0.36914
Financial strength of the insurer				0.790	0.179	0.29456
Internationality	0.322	0.174		0.448	0.122	0.54394
Values	0.488				0.155	0.71464
Disclosure of commission		0.364			0.128	0.84955
Social media	0.113	0.244		0.199		0.84770
Comparison portals before purchase		0.812				0.33243
Price		0.277		0.320	0.194	0.81550
Competency	0.238	0.133			0.236	0.88874
Comprehensible conditions		0.186				0.94678

Note. 'Maximum likelihood' extraction method was used in combination with a 'Oblimin' rotation

Source: Jamovi.

Although two of the factors bear the same name as factors from the literature research, they differ from the original versions in that they are partly based on other variables. Three variables (*competence*, *comprehensible conditions*, *social media*) were mathematically not assigned to any factor because their value is 0.3. There was a manual assignment of the variable *competence* to the factor of *social responsibility*. The two variables *comprehensible conditions* and *social media* were assigned to the newly formed *social branding* factor, as there is a subjective logical relationship between the three variables and the respective factors. Figure 11 provides a detailed overview of the shifts of the individual variables and the resulting composition of the new five factors.

Figure 11: Formation of the new five factors



Source: Own presentation.

A final evaluation by a renewed confirmation factor analysis in Table 13 confirms the presumption by showing the significance of the individual variables after being assigned to the newly formed factors. Only the variable *competence* slightly exceeds the significance value of 0.05. At the same time, the table gives an overview of the five newly formed factors and shows from which variables these have been compiled.

Table 13: Confirmatory factor analysis with five factors

Confirmatory factor analysis with five factors

Factor	Indicator	Estimate	SE	Z	P
Social responsibility	Sustainability	1.187	0.0988	12.01	Lt;.001
	Digital communication	0.593	0.0942	6.30	Lt;.001
	CSR	1.305	0.0901	14.49	Lt;.001
	Values	0.503	0.0638	7.89	Lt;.001
	Competency	0.111	0.0583	1.91	0.056
Social branding	Comparison portal quality testing	1.073	0.0835	12.85	Lt;.001
	Disclosure of commission	0.517	0.1054	4.90	Lt;.001
	Social media	0.419	0.0972	4.31	Lt;.001
	Comparison portals before purchase	1.076	0.0874	12.31	Lt;.001
	Comprehensible conditions	0.126	0.0464	2.72	0.006
Speed	Speed of feedback	0.667	0.0737	9.04	Lt;.001
	Speed during processing	0.589	0.0707	8.33	Lt;.001
Income and financial strength	Size of the insurer	0.785	0.0625	12.55	Lt;.001
	Financial strength of the insurer	0.715	0.0597	11.96	Lt;.001
	Internationality	0.800	0.1016	7.87	Lt;.001
	Price	0.273	0.0797	3.43	Lt;.001
Personnel	Education	0.330	0.0499	6.61	Lt;.001
	Technical equipment	0.802	0.0956	8.39	Lt;.001
	Employee satisfaction	0.462	0.0792	5.83	Lt;.001

Source: Jamovi.

The p-values in Table 14 show the significance of the newly formed factors by values < 0.05 .

Table 14: Factor charges of the five newly formed factors

Factor charges of the five newly formed factors					
Factor	Indicator	Estimate	SE	Z	P
Factor 1	Speed	0.174	0.0551	3.15	0.002
	Earnings & financial power	0.379	0.0653	5.80	Lt;.001
	Personnel	0.202	0.0483	4.18	Lt;.001
	Social responsibility	0.712	0.0874	8.14	Lt;.001
	Social branding	0.440	0.0623	7.06	Lt;.001

Source: Jamovi.

4.3.2 *Weighting of newly formed factors*

From the available data of insurance customers, a weighting according to the mean for the five newly formed factors was carried out. The basis for this was the criticism of existing studies, which was repeatedly found in the literature research, that no weighting of the factors took place and therefore a distortion of the results could be assumed. This work is intended to counter this criticism in such a way that a corresponding weighting of the individual factors takes place. The mean values of the respective factors can be read from Table 15.

The five factors resulting from the new calculations are:

- *Social responsibility of insurers,*
- *Social branding,*
- *Speed,*
- *Earnings and financial power,*
- *Staff.*

The factor that makes the most impact on the formation of reputation from a customer's point of view is *speed*. With a mean value of 1.79, the survey participants showed that the speed of responding to their concerns is of greater importance to them than any other factor.

The *earnings and financial power of the insurers* received the second largest valuation among the selected factors on the part of the customers with a mean value of 2.81. For further investigations, it is appropriate to consider this factor separately for individual insurance divisions. The capital strength of an insurer is of greater importance in the case of a life or pension insurance than with a car liability insurance, since it is imperative that the insurer still exists in decades at maturity or retirement. However, the expensive insurances are rarely taken out, so that the lesser importance of the factor for the formation of reputation is explained.

Table 15: Weighting of the new five factors

Weighting of the five new factors					
	Speed	Yield and financial strength	Staff	Social responsibility	Social branding
N	224	224	197	224	224
Missing	1	1	28	1	1
Mean	1.79	2.81	1.90	3.05	2.58
Median	2.00	2.75	1.75	3.00	2.40
Standard deviation	0.667	0.791	0.557	1.01	0.773
Minimum	1.00	1.00	1.00	1.00	1.20
Maximum	4.00	6.00	3.75	5.75	5.60
Skewness	0.677	0.539	0.787	0.440	1.08
Std. error skewness	0.163	0.163	0.173	0.163	0.163
Kurtosis	0.563	0.717	0.756	0.374	1.53
Std. error kurtosis	0.324	0.324	0.345	0.324	0.324

Source: Own table based on Jamovi.

With a mean value of 1.90, the *staff* factor has received the second-best value from the insurance customers. It can be inferred from this that it is crucial for customers to have a well-trained and competent person on the part of insurers as contact persons. This result correlates with the information provided by customers about their preferred purchasing channel for insurance. A share of 88 % of the people surveyed prefers both pure personal

distribution and a combination of personal and internet sales. Although customers include the Internet in their decision-making to choose the right insurance, the well-trained insurance employee still serves as a valuable guide on insurance matters.

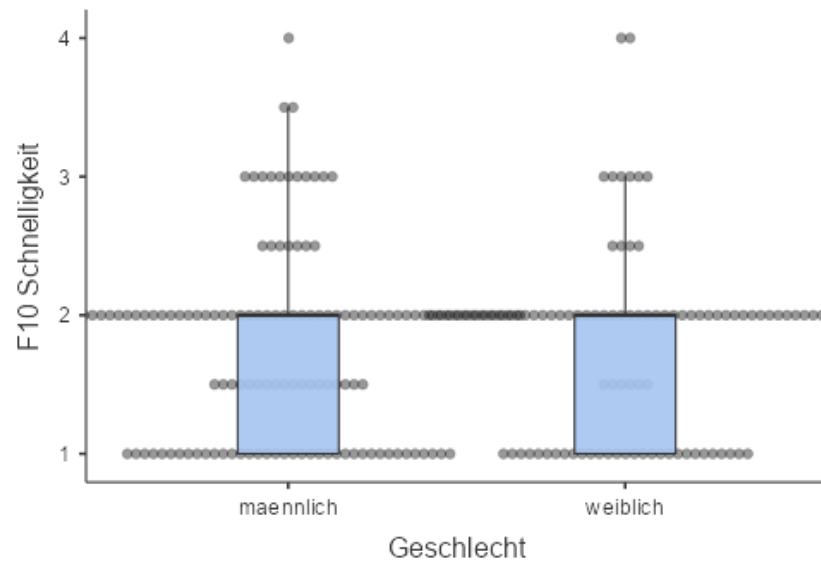
Of the five factors examined, the *social responsibility* factor was rated by customers with a mean value of 3.05 (see Table 15) as least relevant to the formation of a corporate reputation. Both the results of the expert interviews and those of the customer survey are consistent. This is surprising given the omnipresence of this topic in media coverage.

The *social branding* factor, which involves the use of social media, ranks with a mean value of 2.58 third place among the five factors. While social media is also pervasive in the everyday life of insurance customers, customers tend to rate the impact of social media on the formation of reputations of insurance companies only as mediocre. This distinguishes the insurance industry from other industries such as the hotel industry or the travel industry, where customer reviews have a greater impact.

4.3.3 *Speed*

The response and processing times reach the best customer rating with a mean value of 1.79. The factor *speed* is less important for the group > 70 years than for the other age groups. It includes the variable *speed for feedback* and *speed during processing*. The evaluation has shown that there is no significant difference between men and women in this view, which Figure 12 illustrates.

Figure 12: Importance of speed by gender



Source: Jamovi.

Notice: maennlich = masculine, weiblich = feminine, Geschlecht = gender, F10 Schnelligkeit = speed

However, it turns out that the expectation of the speed of insurers in Slovakia is even bigger than in Germany. A mean value of 1.68 in Slovakia is compared to a mean value of 1.83 in Germany (see Table 16).

Table 16: Speed by place of residence

Speed by place of residence		
	Residence	Speed
N	Germany	166
	Slovakia	58
Mean	Germany	1.83
	Slovakia	1.68
Median	Germany	2.00
	Slovakia	2.00

Source: Own table based on Jamovi.

The subjects who have indicated that they do their insurance business exclusively via the Internet also have a higher expectation of the speed of insurers. The respondents who work exclusively with an intermediary are slightly less sensitive to the speed of processing.

Table 17: Speed according to sales channel

Speed according to sales channel		
	Distribution channel	Speed
N	Internet + personal advice	122 (54.5 %)
	Internet only	27 (12.1 %)
	Only personal advice	75 (33.5 %)
Mean	Internet + personal advice	1.75
	Internet only	1.65
	Only personal advice	1.89
Median	Internet + personal advice	2.00
	Internet only	1.50
	Only personal. advice	2.00

Source: Own table based on Jamovi.

Table 17 shows that for customers who take out their insurance exclusively over the Internet, the speed is rated at a mean value of 1.65, while the customers who carry out their insurance business exclusively personally assess the importance of this factor at 1.89.

4.3.4 Earnings and financial power

The *earnings and financial power* factor consist of the variables *size of the insurer*, *financial power of the insurer*, *price*, and *internationality*. With this factor, it can be noted that as respondents age, the importance of an insurer's profitability and financial strength for customers decreases, which Table 18 illustrates. The younger an insurance customer is when they take out a life or pension insurance, the more crucial is the company's earnings and financial strength. The customer relies on the insurer to be liquid even in decades when the insured sums become due, and his claims are satisfied.

Table 18: Earnings and financial power by age group

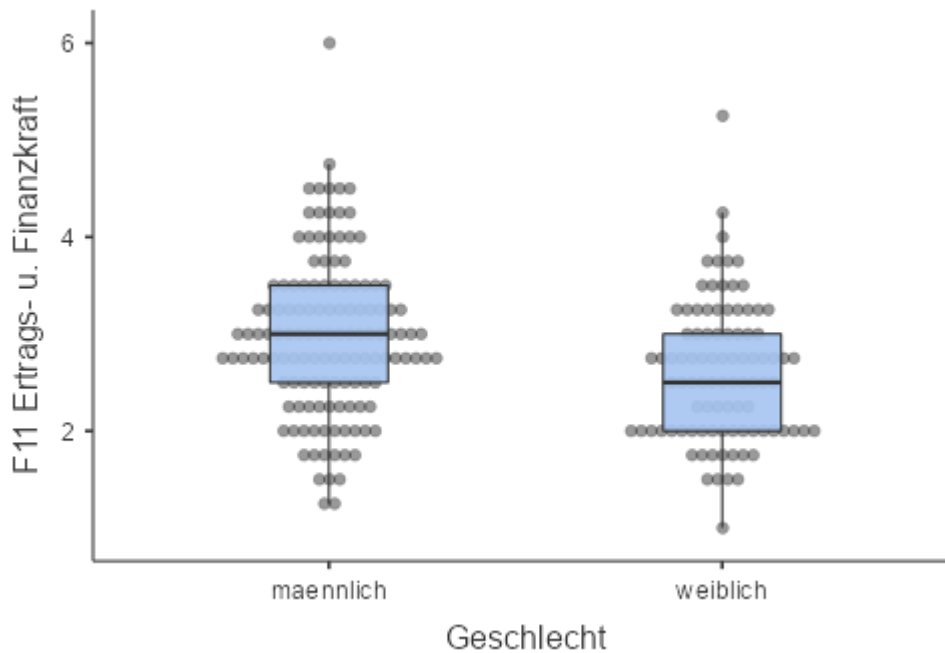
Earnings and financial power by age group		
	Age group	Earnings & financial power
N	18 – 29 years	18
	30 – 49 years	109
	50 – 69 years	93
	> 70 years	4
Mean	18 – 29 years	2.67
	30 – 49 years	2.74
	50 – 69 years	2.93
	> 70 years	2.94
Median	18 – 29 years	2.50
	30 – 49 years	2.75
	50 – 69 years	3.00
	> 70 years	3.00
Standard deviation	18 – 29 years	0.895
	30 – 49 years	0.768
	50 – 69 years	0.806
	> 70 years	0.125

Source: Own table based on Jamovi.

While the 18-29-year-old group gave the factor an assessment of 2.67, the weighting of the factor decreases with the age of the respondents. The group of over 70 years of age assessed the relevance of the *earnings and financial power* factor at 2.94.

There are also different views on this factor between men and women. Figure 13 shows the fact, that for women the importance of an insurer's earnings and financial strength is more important than for men (2.60 vs. 2.97).

Figure 13: Importance of earnings & financial power by gender



Source: Jamovi.

Notice: F11 Ertrags- u. Finanzkraft = earnings & financial power, Geschlecht = gender, maennlich = masculine, weiblich = feminine

There is a big difference in the valuation of earnings *and financial power* between Slovaks and Germans. For Slovak customers, it is significantly more decisive that their insurer is strong in terms of earnings and finance. They rate this factor with a mean value of 2.10, the German customers with a mean value of 3.06, which is evident in Table 19.

Table 19: Importance of earnings and financial power by place of residence

Importance of earnings and financial power by place of residence		
	Residence	Earnings & financial power
N	Germany	166
	Slovakia	58
Mean	Germany	3.06
	Slovakia	2.10
Median	Germany	3.00
	Slovakia	2.00
Standard deviation	Germany	0.725
	Slovakia	0.475

Source: Own table based on Jamovi.

Looking at *earnings and financial power*, considering the different distribution channels, it can be seen that the more personal contact with the intermediary is in play, the greater the importance of income and financial strength (see Table 20). For the group of respondents who claimed to buy only over the Internet, the value is lower.

Table 20: Importance of earnings & financial power by distribution channel

Importance of earnings and financial power by distribution channel		
	Distribution channel	Earnings & financial power
N	Internet + personal advice	122
	Internet only	27
	Only personal advice	75
Mean	Internet + personal advice	2.84
	Internet only	2.99
	Only personal advice	2.70
Median	Internet + personal advice	2.75
	Internet only	2.75
	Only personal advice	2.75
Standard deviation	Internet + personal advice	0.785
	Internet only	0.984
	Only personal advice	0.716

Source: Own table based on Jamovi.

Many of the direct insurers who work exclusively online are young on the market, so that a greater tolerance of customers can be derived from this in terms of the financial

strength of these companies. In addition, expensive, long-term insurances such as life or pension insurance are in very few cases taken out purely online, as the need for counselling is particularly high here. The risk of inappropriate insurance, to which one remains bound in the long term, is too high for many customers.

4.3.5 *Staff*

The *staff* factor includes the variables of *training*, *employee satisfaction* and *technical equipment*. The importance as the second most important factor with a mean value of 1.90 (see Table 15) is also confirmed by the fact that 88 % of the customers surveyed indicated that when buying insurance, only or in part, personal advice was used, which Table 15 illustrates. There is no significant difference between the sexes (see Table 21).

Table 21: Importance of staff by gender

Importance of staff by gender		
	Gender	Staff
N	Masculine	111
	Feminine	86
Missing	Masculine	20
	Feminine	7
Mean	Masculine	1.95
	Feminine	1.83
Median	Masculine	2.00
	Feminine	1.75
Standard deviation	Masculine	0.607
	Feminine	0.479

Source: Own table based on Jamovi.

Table 22 shows that *the staff factor* seems even more important to Slovak insurance customers than for the German ones. The weight of the Slovaks is 1.76 and that of the Germans is 1.94. The values for both nations are in the upper range, so it can be concluded that the personnel factor in both countries correlates with the customer's desire for personal advice. Table 22 shows that the proportion of customers who prefer Internet-only sales is even lower in Slovakia than in Germany.

Table 22: Meaning staff by place of residence

Meaning staff by place of residence		
	Residence	Staff by place of residence
N	Germany	144
	Slovakia	53
Missing	Germany	22
	Slovakia	5
Mean	Germany	1.94
	Slovakia	1.76
Median	Germany	2.00
	Slovakia	1.75
Standard deviation	Germany	0.600
	Slovakia	0.390

Source: Own table based on Jamovi.

4.3.6 Social responsibility

The *social responsibility* factor includes the variables of *sustainability*, *digital communication*, *CSR*, *responsible handling of corporate values* and *competence*. The figures show that the most recent age group surveyed is the one that considers this factor to be the most relevant, which Table 23 represents. However, the mean value of 2.72 is the worst compared to all other factors assessed by this age group.

The customer's demand for ESG-compliant investment strategies (ESG = Environmental, Social and Governance) by insurance companies is opposed to the desire for the best possible return on investment. Both the expert interviews and the customer survey show that at present the customer's need for a profitable investment is even greater than the willingness to accept a loss of return on a sustainable investment.

Table 23: Importance of social responsibility by age group

Importance of social responsibility by age group		
	Age group	Social responsibility
N	18 – 29 years	18
	30 – 49 years	109
	50 – 69 years	93
	> 70 years	4
Mean	18 – 29 years	2.72
	30 – 49 years	3.17
	50 – 69 years	2.95
	> 70 years	3.63
Median	18 – 29 years	2.63
	30 – 49 years	3.00
	50 – 69 years	2.75
	> 70 years	3.50
Standard deviation	18 – 29 years	0.822
	30 – 49 years	1.08
	50 – 69 years	0.951
	> 70 years	0.250

Source: Own table based on Jamovi.

The view of the factor of *social responsibility* differs between women and men, what can be seen at Table 24. The respondents weighted this factor with a mean value of 2.73. The male customers surveyed, on the other hand, only weighted the factor with a mean value of 3.28. It can be inferred from these figures that a company's social responsibility is more important for women than for men.

Table 24: Importance of social responsibility by gender

Importance of social responsibility by gender		
	Gender	Social responsibility
N	Masculine	131
	Feminine	93
Mean	Masculine	3.28
	Feminine	2.73
Median	Masculine	3.25
	Feminine	2.50
Standard deviation	Masculine	0.975
	Feminine	0.972

Source: Own table based on Jamovi.

Table 25 points out that Slovak customers consider the *social responsibility* of an insurance company to be more essential in forming a reputation than German customers. Their weighting due to the mean value of 2.66 is significantly better than the weighting of the German customers with a mean value of 3.19.

Table 25: Importance of social responsibility by place of residence

Importance of social responsibility by place of residence		
	Residence	Social responsibility
N	Germany	166
	Slovakia	58
Mean	Germany	3.19
	Slovakia	2.66
Median	Germany	3.00
	Slovakia	2.25
Standard deviation	Germany	0.948
	Slovakia	1.08

Source: Own table based on Jamovi.

When considering the respective customer preferences in the distribution channels, it can be noted that there is a slight tendency in the direction that customers who prefer Internet sales place less emphasis on the factor of *social responsibility* than those who care about personal contact (see Table 26). This applies to both those customers who prefer only personal advice, as well as those who prefer a combination of Internet and personal advice.

Table 26: Importance of social responsibility by distribution channel

Importance of social responsibility according to distribution channel		
	Distribution channel	Social responsibility
N	Internet + personal advice	122
	Internet only	27
	Only personal advice	75
Mean	Internet + personal advice	3.02
	Internet only	3.21
	Only personal advice	3.05
Median	Internet + personal advice	3.00
	Internet only	3.25
	Only personal advice	3.00
Standard deviation	Internet + personal advice	0.988
	Internet only	0.982
	Only personal advice	1.06

Source: Own table based on Jamovi.

In summary, the data describe that a favorable contribution or good return on an investment product is more relevant to customers than the variables gathered in that factor. Insurers are thus faced with the difficulty of making attractive products available to customers on the one hand at favorable contributions and, on the other hand, not getting into public criticism because sustainability criteria are not complied with. Public opinion can quickly change to individual criteria, which threatens to lose reputation. For example, if two years ago shares of weapons manufacturer such as Rheinmetall were still considered morally questionable, the public's view on this topic has changed greatly since the beginning of the Ukrainian war. The results of the customer survey correlate with the results of the expert interviews in such a way that the interview partners have also said that according to their experience sustainability criteria play a minor role in the conclusion of insurance contracts.

4.3.7 Social branding

The factor includes the variables of *comparison portals for quality testing*, *disclosure of commissions*, *comparison portals before completion*, *understandable conditions*, and *use of social media*. For the three age groups covering the spectrum of 18 to 69 years, there are no significant differences in the valuation, only the age group > 70 years sees this factor as less important for the formation of reputation among insurers (see Table 27).

Table 27: Importance of social branding by age group

Importance of social branding by age group		
	Age group	Social branding
N	18 – 29 years	18
	30 – 49 years	109
	50 – 69 years	93
	> 70 years	4
Mean	18 – 29 years	2.60
	30 – 49 years	2.55
	50 – 69 years	2.59
	> 70 years	3.05
Median	18 – 29 years	2.40
	30 – 49 years	2.40
	50 – 69 years	2.40
	> 70 years	2.90
Standard deviation	18 – 29 years	0.636
	30 – 49 years	0.719
	50 – 69 years	0.867
	> 70 years	0.379

Source: Own table based on Jamovi.

A slightly higher importance of *social branding* for women compared to men can be seen in Table 28. While the women weight the factor with a value of 2.46, it is rated slightly weaker by the men with a value of 2.66.

Table 28: Importance of Social branding by gender

Importance of social branding by gender		
	Gender	Social branding
N	Masculine	131
	Feminine	93
Mean	Masculine	2.66
	Feminine	2.46
Median	Masculine	2.60
	Feminine	2.40
Standard deviation	Masculine	0.842
	Feminine	0.651

Source: Own table based on Jamovi.

For Slovak customers, the *social branding* factor is more important than for German customers. The Slovak survey respondents rated the factor at 2.37 on mean, whereas German respondents only scored a mean value of 2.65 (see Table 29).

Table 29: Meaning social branding by location

Meaning social branding by location		
	Residence	Social branding
N	Germany	166
	Slovakia	58
Mean	Germany	2.65
	Slovakia	2.37
Median	Germany	2.60
	Slovakia	2.20
Standard deviation	Germany	0.769
	Slovakia	0.755

Source: Own table based on Jamovi.

The customers, for whom Internet sales is the most important distribution channel for insurance, also rate the importance of the *social branding* factor with a mean value of 2.39 as highest (see Table 30). Appropriately, this factor gets the worst evaluation within the split parameter sales channel from the customers, who can only be consulted in a personal conversation, with an mean value of 2.65. The results correlated to the fact that the overall presence of insurance companies on social media is of greater importance for those

customers who also use the online distribution channels. Customers who value personal advice on insurance matters appreciate the importance of *social branding* as less.

Table 30: Importance of social branding by distribution channel

Importance of social branding by distribution channel		
	Distribution channel	Social branding
N	Internet + personal advice	122
	Internet only	27
	Only personal advice	75
Mean	Internet + personal advice	2.58
	Internet only	2.39
	Only personal advice	2.65
Median	Internet + personal advice	2.60
	Internet only	2.20
	Only personal advice	2.40
Standard deviation	Internet + personal advice	0.699
	Internet only	0.729
	Only personal advice	0.893

Source: Own table based on Jamovi.

4.4 Synthesis of the results

4.4.1 Results of the split parameter sales channel

Part of the customer survey was the question of the preferred distribution channel when buying insurance. The result in Table 31 shows that only 12 % of respondents reported relying exclusively on the Internet when buying insurance. More than half of customers prefer the combination of Internet and personal advice. It is striking that about one third of the respondents can only get personal advice and do not conduct their own online research.

Table 31: Distribution channels breakdown

Levels	Counts	% of Total	Cumulative %
Internet + personal advice	122	54.5 %	54.5 %
Internet only	27	12.1 %	66.5 %
Only personal advice	75	33.5 %	100.0 %

Source: Jamovi.

While this behavior for complex insurance products such as life or pension insurance is also confirmed by the interviewees, the result surprises regarding standardized insurance divisions such as car insurance. Business relationships with a special intermediary that have grown over the years often dominate the relationship of trust in the conclusion of insurance contracts. If the customer has been well advised there on complex insurance issues, he also concludes the simpler insurance contracts with the intermediary of his trust.

Table 32: Distribution channel by place of residence

Distribution channel by place of residence		
Distribution channel	Residence	
	Germany	Slovakia
Internet + personal advice	94 (56 %)	28 (48 %)
Internet only	22 (13 %)	5 (9 %)
Only personal advice	50 (30 %)	25 (43 %)

Source: Own table based on Jamovi.

The result of Table 32 shows only small differences about the preferred distribution channel by place of residence. Overall, it can be found that there are no significant differences in the preferred distribution channels between Germany and Slovakia. A slight tendency towards more personal advice among Slovak customers can be explained by the composition of the sample.

Table 33: Distribution channels by gender

Distribution channels by gender

Distribution channel	Gender	
	Masculine	Feminine
Internet + personal advice	69	53
Internet only	20	7
Only personal advice	42	33

Source: Jamovi.

58.5 % of the insurance customers surveyed are men and 41.5 % are women. The study found that only 7.5 % of women surveyed prefer the Internet as the sole medium for insurance, while for men with 15 % it is almost twice as many (see Table 33).

Table 34: Distribution channel by age group

Distribution channel	Age group			
	18 – 29 years	30 – 49 years	50 – 69 years	> 70 years
Internet + personal advice	9 (50 %)	66 (61 %)	46 (49 %)	1 (25 %)
Internet only	3 (17 %)	13 (12 %)	11 (12 %)	0
Only personal advice	6 (33 %)	30 (27 %)	36 (39 %)	3 (75 %)

Source: Own table based on Jamovi.

The online survey produced a total of 224 responses. Table 34 gives an overview of the preference of distribution channels, considering age groups. Of the 18 people in the group 18-29 years, 17 % prefer to take out insurance via the Internet, with 12 % in the 30-49-year-old group, as well as in the 50-69-year-old group. This shows a slight tendency to increase the frequency of Internet usage the younger the insurance customer is. The combination of Internet and personal counselling prefers 50 % of 18-29-year-olds, 61 % in the 30-49-year-old group and 49 % of those aged 50-69. Personal advice is 33 % the preferred distribution channel for 18-29-year-olds, 27 % for 30-49-year-olds and 39 % for 50-69-year-olds.

Table 35: Statistics of the new five factors with the split parameter sales channel

Statistics of the new five factors with the split parameter sales channel

	Distribution channel	Speed	Earnings & financial Power	Staff	Social responsibility	Social branding
N	Internet + personal. Advice	122	122	122	122	122
	Internet only	27	27	0	27	27
	Only personal. Advice	75	75	75	75	75
Mean	Internet + personal. Advice	1.75	2.84	1.87	3.02	2.58
	Internet only	1.65	2.99	NN	3.21	2.39
	Only personal. Advice	1.89	2.70	1.93	3.05	2.65
Median	Internet + personal. Advice	2.00	2.75	1.75	3.00	2.60
	Internet only	1.50	2.75	NN	3.25	2.20
	Only personal. Advice	2.00	2.75	1.75	3.00	2.40
Std. error skewness	Internet + personal. Advice	0.219	0.219	0.219	0.219	0.219
	Internet only	0.448	0.448	NN	0.448	0.448
	Only personal. Advice	0.277	0.277	0.277	0.277	0.277

Source: Own table based on Jamovi.

The customers, for whom the Internet is the preferred distribution channel, place the least emphasis on the social responsibility of insurers. The *speed* factor and the appearance on social media, which is described by the factor *social branding*, get the best grades from this customer group. Table 35 also shows that the *earnings and financial power* factor is also

of less importance for customers who take out their insurance exclusively via the Internet. This can be explained by the fact that mainly simple insurance with smaller premiums are taken out over the Internet. The importance of *earnings and financial strength* for this type of insurance is less than for life or pension insurance. For example, car liability insurance is often available for less than EUR 100 per year and can be cancelled annually. If an insurer becomes financially weak, the insurance customer can quickly change the provider.

4.4.2 Results of the split parameter gender

Of the 224 responses to the survey, 93 came from women and 131 from men. Table 36 provides a detailed overview of the exact breakdown by gender and age group.

Table 36: Gender breakdown by age

Gender	Age group			
	18 – 29 years	30 – 49 years	50 – 69 years	> 70 years
Masculine	6 (3 %)	69 (31 %)	52 (23 %)	4 (2 %)
Feminine	12 (5 %)	40 (18 %)	41 (18 %)	0

Source: Own table based on Jamovi.

Of the Germans surveyed, 65 % are men and 35 % are women. For Slovak respondents, the ratio is reversed. 38 % of male participants are compared with 62 % female participants. Also Table 37 shows that 166 out of a total of 224 responses come from Germany and 58 replies from Slovakia.

Table 37: Distribution by gender and place of residence

Distribution by gender and place of residence		
Gender	Residence	
	Germany	Slovakia
Masculine	109 (65 %)	22 (38 %)
Feminine	57 (35 %)	36 (62 %)

Source: Own table based on Jamovi.

The evaluations of the combinations of gender and factor that Table 38 emerge were explained in the chapters on the respective factors. The most striking differences between the sexes relate to the factors *of earnings and financial power* and *social responsibility*. Thus, women rate the importance of the *income and financial power* factor with a mean value of 2.60 better than men for whom the weighting of this factor is 2.97. The issue of *social responsibility* is even clearer. While the male subjects rate the mean value at 3.28, it is 2.73 for the females.

Table 38: Statistics of the new five factors with the split parameter gender

Statistics of the new five factors with the split parameter Gender

	Gender	Speed	Earnings & financial Power	Staff	Social responsibility	Social branding
N	Masculine	131	131	111	131	131
	Feminine	93	93	86	93	93
Mean	Masculine	1.79	2.97	1.95	3.28	2.66
	Feminine	1.78	2.60	1.83	2.73	2.46
Median	Masculine	2.00	3.00	2.00	3.25	2.60
	Feminine	2.00	2.50	1.75	2.50	2.40
Std. error skewness	Masculine	0.212	0.212	0.229	0.212	0.212
	Feminine	0.250	0.250	0.260	0.250	0.250

Source: Own table based on Jamovi.

Despite the differences in absolute values, this analysis also shows that the *social responsibility* factor achieves the weakest values of all factors in both sexes.

4.4.3 Results of the split parameter residence

The most significant difference in the weighting of the factors between Slovaks and Germans is in the *earnings and financial power factor*. As Table 39 can be seen from it, this factor is weighted by Slovak customers of 2.10 compared to a rating of 3.06 on the part of German insurance customers. In addition to the financial strength of an insurer, the issue of *social responsibility* is also more important in Slovakia than for German customers (2.66 vs. 3.19). Nevertheless, the evaluation of the split parameter of *residence* confirms the other results to the effect that the factor of *social responsibility* in both countries gets the lowest weight for the formation of reputation.

Table 39: Statistics of the new five factors with the split parameter of residence

Statistics of the new five factors with the split parameter of residence

	Residence	Speed	Earnings & financial power	Staff	Social responsibility	Social branding
N	Germany	166	166	144	166	166
	Slovakia	58	58	53	58	58
Mean	Germany	1.83	3.06	1.94	3.19	2.65
	Slovakia	1.68	2.10	1.76	2.66	2.37
Median	Germany	2.00	3.00	2.00	3.00	2.60
	Slovakia	2.00	2.00	1.75	2.25	2.20
Std. error skewness	Germany	0.188	0.188	0.202	0.188	0.188
	Slovakia	0.314	0.314	0.327	0.314	0.314

Source: Own table based on Jamovi

There are small gaps between Slovaks and Germans in terms of *speed*, *staff* and *social branding*. There are no significant differences between nationalities.

4.4.4 Results of the split parameter age group

Around 90 % of the 224 people surveyed are in the age groups from 30 to 69 years (see Table 40). The composition of the surveyed customer group provides room for further research. Further research is needed on the question of whether the results would change, if young people accounted for a greater share of the total number of persons.

Table 40: Number of respondents by age group and gender

Number of respondents by age group and gender			
Age group	Gender		
	Masculine		Feminine
18 – 29 years	6	(3 %)	12 (5 %)
30 – 49 years	69	(31 %)	40 (18 %)
50 – 69 years	52	(23 %)	41 (18 %)
> 70 years	4	(2 %)	0

Source: Own table based on Jamovi.

The percentage of the age group aged 18 to 29 in the study is approximately the same in both countries (see Table 41). Of the German participants, 8 % are in this age group and 9 % of the Slovak participants. It is different in the rest of the age groups. 43 % of German respondents are in the age group from 30 to 49 years, while the Slovak survey respondents are significantly more than 65 %. A reverse picture shows the age group from 50 to 69 years. While this age group accounts for 47 % of the German respondents, only 26 % of the Slovak subjects belong to this age group.

Table 41: Distribution by age group and place of residence

Distribution by age group and place of residence

Age group	Residence	
	Germany	Slovakia
18 – 29 years	13 (8 %)	5 (9 %)
30 – 49 years	71 (43 %)	38 (65 %)
50 – 69 years	78 (47 %)	15 (26 %)
> 70 years	4 (2 %)	0

Source: Own table based on Jamovi.

Table 42 gives a detailed overview of how the individual age grouped of the respondents weights the respective factors. The factor *speed* is assessed similarly by the three lower age groups. The age group > 70 years weights this factor at 2.25, but of all factors it receives the best rating from those over 70 years of age.

By contrast, the *earnings and financial power* factor is similarly classified across all age groups. The mean values are all between 2.67 (for the youngest group) and 2.94 (for the group of people > 70 years).

The *staff* factor, on the other hand, is seen by the group of 18 to 29-year-olds with a mean value of 1.75 as being significantly more relevant for the formation of reputation than those over 70, who have a mean value of 2.94.

The same is true of the *social responsibility* factor. For younger insurance customers, this factor is more significant with a mean value of 2.72 than for the older ones who awarded a value of 3.63. While ratings between age groups differ by 0.91, this factor has received the worst scores of all factors across all age categories.

Table 42: Statistics of the new five factors with the split parameter age group

Statistics of the new five factors with the split parameter age group

	Age group	Speed	Earnings & financial power	Staff	Social responsibility	Social branding
N	18 – 29 years	18	18	15	18	18
	30 – 49 years	109	109	96	109	109
	50 – 69 years	93	93	82	93	93
	> 70 years	4	4	4	4	4
Mean	18 – 29 years	1.86	2.67	1.75	2.72	2.60
	30 – 49 years	1.74	2.74	1.92	3.17	2.55
	50 – 69 years	1.81	2.93	1.84	2.95	2.59
	> 70 years	2.25	2.94	2.94	3.63	3.05
Median	18 – 29 years	2.00	2.50	1.75	2.63	2.40
	30 – 49 years	2.00	2.75	1.88	3.00	2.40
	50 – 69 years	2.00	3.00	1.75	2.75	2.40
	> 70 years	2.50	3.00	2.88	3.50	2.90
Std. error skewness	18 – 29 years	0.536	0.536	0.580	0.536	0.536
	30 – 49 years	0.231	0.231	0.246	0.231	0.231
	50 – 69 years	0.250	0.250	0.266	0.250	0.250
	> 70 years	1.01	1.01	1.01	1.01	1.01

Source: Own table based on Jamovi.

Regarding *social branding*, the ratings of the survey participants in the lower three age groups are very close together. The values differ only slightly between 2.55 and 2.60. Only the age group > 70 years rated this factor with a value of 3.05 slightly worse.

4.5 Improvement measures for reputation management

The following 10-point plan is intended to show insurance companies the measures that have the greatest impact in building efficient reputation management. The directive focuses on the key points that, according to the present study, provide the greatest leverage to permanently improve insurers' reputation.

1. Improve the speed of feedback

Customers do not differentiate by industry but expect real-time feedback from insurance companies based on their experience in other industries. Insurers should follow best practice examples (e.g. Amazon, etc.). A short response time is associated with many customers with good customer service. Due to the dynamic technical development, the use of bots for communication is becoming easier, cheaper, and qualitatively better and represents a pragmatic alternative to the previous electronic aids.

2. Shortening processing times

Not only must there be rapid responses to requests, but the entire processing period of business transactions needs to be shorter. Modern tools such as the use of artificial intelligence, for example ChatGPT, can carry out standardized processes in almost real time automatically. However, insurers must make sure that the use of artificial intelligence does not happen as an end in itself, but that it makes the processes easier and faster for the customer. Speed is more decisive than politeness or sympathy.

3. Integration of social branding in the insurer's communication policy

Insurers must consistently use social media to interact with customers. The use of social media is not about numbers, data, and facts, but about emotions that have a direct impact on reputation. Companies need to track and evaluate what their customers write on the Internet. Every interaction must be a satisfying customer experience for the customer, which is why customers should be encouraged to express their opinion.

4. Synchronization of the online presences with the remaining marketing measures

Although the importance of online marketing is steadily increasing due to the increasing use of the Internet, it is only part of the overall marketing strategy. The online and offline marketing measures must be well coordinated. Questions pertaining to the company must be answered in a consistent and complete manner, regardless of whether they are asked online or offline.

5. Offensive communication of financial power towards the customer

Especially when concluding high-priced insurance contracts, customers attach great importance to solvent insurance partners. Financial power should be communicated offensively and is a quality criterion in the eyes of customers. False modesty or understatement can be interpreted as a weakness on the part of the customers.

6. Prevention of greenwashing

If an insurer advertises its sustainability, it must also comply with the ESG criteria that customers actually find valuable. Otherwise, there is a risk of loss of reputation due to greenwashing.

7. Development of unique services and support

Differences in products are only used in the short term to distinguish them from competitors, as the legal regulation leaves little room for maneuver in product development and innovations are quickly copied by the competition. Instead, there is more freedom in the development of unique services and support that can increase customer benefits and give the insurer a distinctive face. Creative resources should be diverted to a not insignificant part of this problem.

8. Creating positive customer experiences

Insurers must prove their performance even without claims, for example by assisting customers in carrying out preventive measures to prevent possible claims. The possibilities to generate positive customer experiences exist at all points of contact with customers in all channels and must be used consistently.

9. Hybrid model in the use of online processes

On the one hand, customers want simple, well-functioning online processes, but also appreciate it when these processes are accompanied by well-qualified personnel, who are available quickly and competently in case of a problem. Customers must be given the opportunity to switch channels between online and offline worlds at any time.

10. Consistent training and further training of employees

The employees of an insurer are the company's business card and, due to their satisfaction and their approach to customers, they have a significant impact on the formation of reputation. Employees must be consistently trained and further trained as well as technically excellently equipped to perform their work in the best possible way. Only satisfied employees can represent the company externally in such a way that it creates a positive reputation.

It is essential that companies operate holistic reputation management, considering all factors that are critical to a positive reputation. The goal of reputation management must be that there is no crisis in the first place – and if so, that there is no major loss of reputation due to poor communication.

5 Discussion

The results of this work show that other factors are crucial in the formation of reputation in the insurance industry than in the rest of the sectors. One of the reasons for this is the strong regulation by the legislator, which gives companies little room for maneuver to distinguish themselves from one another. Numerous research into the reputation of the automotive industry, the hotel industry, or the travel industry, however, there is no study that focuses solely on the reputation of insurance companies. This research gap is intended to close this thesis by calculating factors specifically geared to insurers for the formation of reputation.

The study compares the perspectives of specialist literature, insurers and insurance customers, looks for similarities and highlights differences. The results obtained are intended to enable insurers to install efficient reputation management and use their measures to improve reputation in such a way that they achieve the greatest possible success. This should be done by focusing on the five factors identified during the investigation. Efficient reputation management ensures that reputational damage does not occur in the first place, as any critical points are thus defused in advance. Reputation management is not a one-off short-term action, but an ongoing observation of the relevant factors. The results are based on the literature research, twelve expert interviews and 224 answers to the customer survey of insurance customers in Germany and Slovakia.

5.1 Recommendations for insurers

The study has shown the factors that insurers need to work on in order to efficiently use their resources to build and maintain their reputation management. The biggest lever to improve reputation has been the *response time for feedback* and the *speed* of processing times. Insurers should follow best practice examples such as Amazon. Customers have had positive experiences regarding speed in other industries such as online mail ordering and also apply these expectations to insurance companies.

The use of chatbots for customer communication has so far had the disadvantage that the performance of the bots was limited and that accordingly they were only used cautiously by the customers. Meanwhile, the performance of chatbots like ChatGPT has improved to such an extent that this technique can be a valuable support for insurers in their

customer communication. The use of artificial intelligence can increase the response speed in customer communication and thus serve the important factor of *speed* in the formation of reputation. These bots can be a sensible alternative to the traditional FAQs on the websites of insurance companies, they can answer customer questions quickly and in high quality and thus represent a significant improvement in the possibilities of an automated response to customer inquiries. When customers engage in conversation with a chatbot, they have the expectation that this digitized process will become faster and easier for them than the manual process before.

The strong legal regulation of the entire insurance industry makes it difficult for insurers to distinguish themselves from one another. There is only little room for maneuver when designing new products. If there is an innovation, such as cyber insurance, it is quickly copied by the other insurers. According to a Statista investigation, the share of sales of new products in 2021 had only a market share of 1.7 %, while the market share of counterfeit products was 17.3 %.¹⁶³ Insurance companies must have competitive products, but the distinction between the individual insurance providers by the customers takes place primarily through the accompanying services and support. Customers without insurance expertise can hardly assess the quality of the products or can barely identify differences and therefore rely on reviews on the Internet or on their insurance intermediaries. Insurers should therefore not focus their ideas and creativity solely on the area of product development, because the further development of existing products is not an innovation. The creative potential should therefore also be used for the development of innovative services, with the help of which a higher customer benefit is generated and at the same time the distinction and differentiation of the individual insurance companies can be achieved.

Only in the event of damage materializes the intangible product insurance and the insurer can only then prove its real performance. However, since a claim for the customer is always associated with a negative experience, insurers must ensure that customers have positive experiences with their insurance company even without claims. This can be done, for example, by promoting prevention, which ensures that no damage occurs at all. Such

¹⁶³ ZEW; Fraunhofer ISI; infas. Anteil von Marktneuheiten und Nachahmerinnovationen am Gesamtumsatz der Branche Versicherungen und Finanzierungsdienste in den Jahren von 2008 bis 2021. 2023, available at: <https://de.statista.com/prognosen/999877/deutschland-online-abschluss-von-versicherungen>, retrieval took place on 29.4.2023.

preventive measures can cover all areas of insurance, such as health prevention, accident prevention or the prevention of damage to residential buildings. Although such precautionary measures are not cost-neutral, they are usually cheaper than the otherwise occurring claims. Saved damage payments give scope for the design of premiums and thus increase the competitiveness of the companies. Insurers, who manage to differentiate themselves from the competition through unique services, can position themselves as partners of their customers and also offer added value for their customers.

Another result of the investigation is that 88 % of insurance customers do not want to completely dispense with personal advice from an insurance employee or insurance broker. This result correlates with the fact that the *staff* factor has turned out to be the second most decisive factor in the formation of reputation. Despite the continuous development of digital sales channels, customers do not want to completely give up personal contact with employees. It is important to support customers in the use of online services by competent staff and thus to install a hybrid online model. The prerequisite for this is that the employees are well trained and that they are provided with modern technical equipment with which they can help the customers in the best possible way. The professional use of modern communication and work equipment is assumed by the customers as a matter of course. Well-trained, technically well-equipped, and satisfied employees are the business cards of a company and have a positive impact on the formation of reputation among insurance companies.

Few insurers have a clear strategy in dealing with social media. These include the company's appearances on the rating platforms and comparison portals such as Check24 or Verivox as well as on social networks such as Instagram or LinkedIn. These appearances have often been neglected in the past because social media is not a sales channel of its own and success is difficult to measure in numbers. However, it is becoming increasingly important for insurers to integrate their *social branding* into the Group's own communication policy, as contact with the customer is maintained permanently via social networks. Such platforms offer companies the opportunity to position themselves as partners for insurance issues, while distribution through these channels is not in the foreground. Here special promotions, innovations or similar can be pointed out quickly and cost-effectively and the large reach can be used. The online presence must be tailored to the rest of the marketing measures. The professional use of social media is imperative to get in touch with

the younger generations. Insurers need to understand that social media is about more than numbers, data, and facts. It's about emotions that have a direct impact on the reputation of companies.

The *earnings and financial power* factor is of great importance, especially for younger customers. An insurer that is financially solid should also communicate this offensively to the outside world, as this criterion is particularly important for customers who have long-term contracts with high contributions, such as life or pension insurance. Customers depend on the insurer to be liquid even in decades when the insured sums are due from the contracts, so that his claims can be satisfied. The importance of *income and financial strength* depends on the type of insurance sought, which must be considered in communication with the target group. Every communication channel and target group need an individual approach.

The *social responsibility* factor is a hygiene factor that only becomes decisive for the reputation as soon as a company does not behave sustainably. While sustainability is relevant in the external presentation, there is a risk of dilution through greenwashing. When an insurer communicates its sustainability to the outside world, it must be sure that the measures described also actually meet the sustainability criteria expected from its customers. Companies cannot presuppose that their customers automatically support it if, for example, investments in nuclear or gas power plants are made under the guise of sustainability, just because the EU Commission has recently classified these two forms of energy as sustainable.

According to the interview partners and the customers surveyed, sustainability also includes paperless work. It is environmentally friendly and saves insurers costs at the same time. Lower paper consumption and digital solutions are increasingly being demanded by customers. The same applies to digital communication, which partially replaces or supplements direct customer contact. In many cases, it is more environmentally friendly to carry out a customer appointment by team than to drive to the customer in person. The willingness of the customers to do so is increasing, as the temporal aspect also plays an increasingly important role. Travel costs can be reduced, and travel times can be used for other activities. At the same time, digital communication pays for the speed factor, because it accelerates workflows and processes.

Insurance companies face the dilemma that the public pressure on sustainable investment is facing high expectations of customers in terms of return. An insurance company can no longer afford to make proposals for sustainable investment without accepting a reputational loss. Here, insurers are in a tension area, because the investigation has shown that customers' willingness to invest in sustainable investments so far is waning if their return suffers from it. As a solution, it is recommended to let the client decide on it and offer them both options, as long as sustainable investments cannot achieve the same return as for less sustainable investments. As an example of this tension, investment in shares of energy providers that generate their profits from nuclear or gas can be cited. Although nuclear or gas power plants are now classified as sustainable by the EU, the public's view on this question is more differentiated. If an insurer advertises with a sustainable investment, it must comply with the CSR criteria that customers consider to be correct. If he does not meet the customer's feelings regarding the CSR criteria, or if the customers feel they are being deceived, there is a risk of reputational damage.

5.2 Transferability of research results to other industries

The strong regulation of German insurers presented in this thesis by the legislator ensures that the results cannot be easily transferred to other countries. Insurance markets differ at national level within the EU and different jurisdictions are added outside the EU. For example, the Anglo-American legal system has different foundations, which ensures that there are different business models in these countries. Only a few non-European insurance companies therefore have a foothold in Germany and can prevail against established European competition.

The research has shown that the insurance industry is subject to stronger regulation than other sectors in the free economy. This is the reason why the results of this work can only be transferred to other sectors to a limited extent. Based on the results of existing studies, it has been found that in the insurance industry, in some cases, other factors are responsible for the formation of reputation among companies than, for example, in the automotive industry or the hotel industry. Instead of transferring the results to other industries without change, the authors recommend that these industries be examined individually, if necessary, as there is a presumption that divergent results will be achieved.

Because the work explicitly deals with the reputation of insurance companies, it naturally has the greatest benefit for this industry. The results provide a precise enumeration and weighting of the factors responsible for building reputation among insurance companies. The advantage for the insurance industry is at the same time the disadvantage for all other industries, as the results are not easily transferable to other industries.

5.3 Recommendations for action for science

As part of the communication policy, reputation management is also part of the marketing mix and its importance for the calculation of corporate value should be considered by taking it into the marketing lectures of universities and colleges and becoming part of the courses. The expansion of marketing concepts to include reputation management is necessary, but this need has rarely been considered so far.

From the point of view of science, care should be taken to ensure that online reputation management is not separated from the rest of reputation management. Rather, it rounds off reputation management as a modern instrument and as part of the communication mix. While online reputation management is needed to get in touch with and remain in contact with the younger part of customers, science must make sure that it can only have its full effect if it is integrated into an overarching communication policy. A company's reputation must have the same characteristics and positioning online as in the analogue world. Only through a holistic view of online and offline reputation management can it be ensured that the measures to maintain and improve the reputation of companies have the greatest possible success.

5.4 Recommendations for action for teaching

The work has shown that the importance of reputation as an intangible asset for companies in an increasingly interconnected society continues to increase. A company can quickly be inflicted large losses in value due to poor communication or poor performance, which is why reputation management should also become part of the teaching in the marketing programs.

Students should be given a basic understanding of reputation and its management. This includes explaining what factors reputation is created and how these factors can be specifically influenced to improve a company's reputation.

In case there is a negative reputation, students should learn how to react in crisis situations. Students should be taught how to communicate in a crisis in order to limit the damage and regain public confidence. Here, case studies and practical exercises are recommended to give students a deeper understanding of reputation. This makes the theoretical construct of reputation more tangible and easier for learners to understand.

Since reputation management is not just about responding to negative events, students should be taught to develop proactive strategies to improve an organization's reputation in the long term and avoid negative events as early as possible. The monitoring of online feedback and reviews on Internet portals, which have to be published and evaluated by various stakeholders, seems suitable for teaching. A professional response to comments and reviews could be part of the curriculum to specifically prepare students for their professional future.

5.5 Limits

In the literature, banks and insurance companies are often treated jointly. However, the described difference between the insurance sector and other sectors raises the question of whether this equality is also justified in terms of reputation, which opens room for further research. Although the banking sector and the insurance sector are subject to the requirements of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), the fact that in the 2008 financial crisis much more banks than insurance companies were at risk of insolvency indicates that there are major differences between these two sectors that justify a separate view.

The present study is limited insofar as the composition of the sample is not representative of the total population. For example, the proportion of people over 70 in the survey is lower than the population average. Similarly, the survey was answered by an above-average proportion of academics, as a large proportion of the respondents came from the personal and professional environment of the authors.

In terms of the reputation of insurance companies, the work provides a basis for further research, considering individual insurance divisions. It can be assumed that the weightings of the individual factors vary when considering whether it is, for example, a standardized compulsory insurance such as a car liability insurance, a building insurance for

a commercial property or a private health insurance. This assumption should be investigated using hypotheses tests. Examples of the hypotheses to be investigated could be:

- The better the employees of a life and health insurer are trained; the better the customer's perception of reputation is.
- The greater the income and financial strength of a life and health insurer, the better the customer's perception of reputation.

As insurance markets are subject to national regulations worldwide, the results of this work are not transferable to other countries. Rather, the work has shown that even within a country, the reputation is influenced by different factors depending on the industry.

Conclusion

The knowledge gained from this thesis can serve the insurers to establish their own reputation management and to use the resources used for this as efficiently as possible. The importance of a well-functioning reputation management is growing in an increasingly interconnected environment. Small wrong decisions or communication errors can quickly have major negative effects on reputation. Once it took days for information to be passed on around the globe, it is now happening in real time, which applies to both positive and negative information. The companies must decide whether they use this fact specifically for positive reputation or whether they want to leave their public image to chance.

The establishment of reputation management is not yet far advanced in the insurance industry, as evidenced by the poor reputation of the industry compared to other industries. So far, it has not been possible to anchor the importance of insurance for the entire economic cycle in the minds of customers. Here, both the general association of insurers and the individual insurance groups still face some challenges. The results of this thesis are intended to serve as a basis for insurers to build reputation management and inspire them to consciously deal with this topic and to actively influence their reputation in the future.

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Annexes

Annex 1: Interview guide

Research question:

What factors determine the reputation of insurance companies and what is the relationship between the factors and the perceived reputation of the customers?

Secondary objectives:

- Identification of factors that insurers consider important to their own reputation and estimate the weighting of factors
- Positioning of social networks in the development and management of reputation

Before the interview:

- Presentation of one's own person (name, age, function)
- Thank you for participating
- Explanation of the research goal without revealing the research question (pre-formulate a few short sentences)
- Note to the anonymous treatment of the data "The audio data of this interview is recorded, written, anonymized and aggregated. The results are prepared as part of my dissertation at the University of Economics Bratislava. From all devices, the records will be deleted after completion of the dissertation."
- Obtain consent: » Do you agree that I will record our conversation for recording purposes? I can assure you that anonymity is maintained and therefore no conclusions about your person are possible.
- Clarify open questions: » Do you have any open questions before the start of the interview? In this case, you are welcome to present them now.

Block 1: To the person & organization

1.1 What is your current position in the company?

1.2 How long have you been working in the company?

1.3 How much work experience in your industry do you have overall (in years)?

1.4 What is your company's core business?

1.5 What does your company do to improve your reputation?

Block 2: General management quality

2.1 Please describe what constitutes a good management quality for you.

2.2 What role does the qualification of a company's employees play in this context?

2.3 In your opinion, what influence does the quality of management have on the formation of the reputation of an insurance company?

Block 3: Responsibility in dealing with society and nature (social responsibility/environmental orientation)

3.1 How do you assess the impact of the insurance company's responsibly dealing with society and nature on the formation of corporate reputation?

3.2 What behaviors do you consider to be part of an insurance company's ethical conduct?

3.3 What should insurers do to meet their responsibilities in dealing with society and nature?

3.4 From your point of view, please describe the importance of ethical behavior on the formation of corporate reputation.

Block 4: Perception of the quality of products and services

4.1 Please explain the impact in your opinion of the quality of the products and services on the perceived reputation of the company.

4.2 What requirements would an insurance company have to meet for you to call it innovative?

4.3 What makes a high-quality insurance product for you?

Block 5: Income and financial strength

- 5.1 How does the market leader in an insurance industry differ from its competitors?
- 5.2 Do you think that dynamically growing insurance companies are more attractive to customers than companies with lower growth?
- 5.3 Where do you see the advantages and disadvantages of international insurers compared to those operating only nationally?
- 5.4 In your opinion, how important is the profitability and financial strength of an insurance company in the customer's purchase decision?

Block 6: Responsible handling of corporate values

- 6.1 How do you assess the importance of clear values for which the insurance company stands?
- 6.2 How important is an inspiring vision of the company for its own reputation?
- 6.3 Does fair pay for employees and an appealing workplace affect the company's reputation?
- 6.4 How important is the independence of an insurer?

Block 7: Emotional Address of Stakeholders

7.1 How important do you think a communication concept is for your company?

7.2 What role do social networks play in communicating with their company's stakeholders (customers, employees, the public, investors, internal/external, etc.)?

7.3 What influence does the identification of employees with the company have on the external presentation?

7.4 How important is the emotional approach of stakeholders to build trust and strengthen credibility?

Block 8: Weighting of factors

8.1 If you personally review your last insurance policy, why did you choose this company?

8.2 Please assess the relevance of the following factors based on your importance of

1 = very important up to 6 = completely unimportant

- General management quality
- Responsibility in dealing with society and nature (social responsibility/environmental orientation)
- Perception of the quality of products and services
- Income and financial strength
- Responsible handling of corporate values
- emotional Address of Stakeholders

After the interview:

- Open closing question for supplementary information
- Stop recording
- Thank you for participating
- Announcing the preparation of the results
- Please nominate further experts on the research question or sub-aspects

Annex 2: Draft questionnaire

Text cover letter by e-mail:

Hello,

my name is Frank Gerwald, and I am writing my dissertation, with which I want to investigate what factors influence the reputation of insurance companies. Part of the investigation is the view of the customers, which is why I would be happy if you take part in the following survey.

The processing time is about 7 – 10 minutes. All data is collected anonymously, you cannot be assigned to your person and will be treated confidentially.

Among all participants, 3 Amazon vouchers in the amount of EUR 20 each will be raffled. Participation in the raffle is voluntary. Please provide your email address at the end of the survey if you wish to participate.

Thank you for your support.

Introductory text to the survey:

With your help, I would like to examine in the following survey which factors from a customer's point of view are important for building an insurance company's reputation.

Your opinion is important! Please check to what extent the following statements are true for you. The survey and evaluation are absolutely anonymous, and no conclusions are drawn from the responses to the senders.

Please answer as openly and honestly as possible. There are no right or wrong answers.

All questions or statements are to be evaluated on a scale of 1 = perfectly true, up to 6 = is not true at all.

1. General management quality

As a customer, I quickly notice whether the employee of the insurance company is well qualified.

When I realize that an insurance employee is well trained, it strengthens my trust in the company.

2. Responsibility in dealing with society and nature

Before concluding an insurance contract, I check whether the selected insurance meets the sustainability criteria.

I prefer insurance companies that mainly communicate digitally with customers and work paper-free.

I prefer insurance companies that actively report on their commitment to society and the environment.

3. Quality of insurance products

To assess the quality of an insurance product, rely on evaluation platforms and comparison portals on the Internet.

For me, the price is the decisive criterion in the choice of insurance.

4. Quality of service of insurers

The speed of feedback from the insurance company influences my perception of reputation.

The length of the processing time influences my perception of reputation.

I want my insurer's easy-to-understand insurance terms to understand exactly what is insured and what isn't.

5. Income and financial strength of insurers

The bigger an insurance company is, the greater my confidence in the company.

The more financially strong an insurance company is, the greater my confidence in the company.

It is important to me that an insurance company also operates internationally.

6. Responsible handling of corporate values

As an insurance customer, it is important to me that insurance really fills the values it stands for with life.

My confidence in the insurer would grow if every insurance deal was to disclose how much money the intermediary receives for this deal.

7. Emotional Address of Stakeholders

The appearance of an insurer on social media influences my perception of the company.

Before entering into a new insurance contract, I look at the company's reviews in comparison portals.

If an insurance employee's technical equipment is good, it strengthens my confidence in the company.

If I feel that an insurance employee is satisfied with their employer, it strengthens my sympathy for the company.

8. Finally, a few general questions about your person:

What age group do you belong to? 18-30 31-50 51-70 > 70

What gender do you have? M/W/D

Which country are you currently living in? Germany/Slovakia/other, namely: