Abstract:

The aim of this paper is to discuss how the insurance industry has been adopting the latest Information Technology advances and exploiting internet and the new Enterprise 2.0 applications in order to create value-adding networks, where, employees, partners and customers are the key providers of innovation. Also the literature debate confirms the basic role of the Internet-consumer, whose opinion (thanks to the traditional tools of 2.0, like blogs and so on) is vital to the strategic choices of enterprises.

The work reports the examples of cases selected among the major insurance Italian companies, particularly Generali Groups (leader co. in Italy), in order to highlight the valuable role of the “direct” service provider within the complex process of production and consumption of policy insurances and auxiliary services. In actual fact, highly customized and innovative services as well as real user experiences are nowadays offered to different market segments.

The paper contributes to the call for research on a particular service sector by addressing the unexplored issue of one-to-one marketing strategies adopted by the insurance industry in the era of modern Information Technology. More specifically, it provides ample evidence of the enormous benefits that the adoption of Enterprise 2.0 can ensure to this sector in terms of customer satisfaction and, by implication, of competitive advantage in an ever-changing and volatile market.

Keywords:
Innovation technology, web 2.0, insurance

Introduction: The Web and the new business approach

The companies that aim at being competitive are required to implement and monitor their cultural, technological and information activities, taking into account the basic role of the Internet-consumer, whose opinion (thanks to the traditional tools of 2.0, like blogs and so on) is vital to the strategic choices of enterprises.

The Web has been always the same for 20 years. When on March 13th, 1989 the baronet Sir Tim Berners-Lee, researcher at CERN, European Organization for Nuclear Research, wrote and submitted his proposal for the information system management, he showed that the information could be easily transferred on the Internet by using the hypertext.

Since then, the Net and the Web have become an essential tool for all the business activities. Starting from the “shop-window Websites” or those ones that are identical to the business brochures, today we find complex relations with the social networks and the social media.

On September 30th, 2005 Tim O'Reilly (not to be confused with that Tim who invented the Web) decided to publish an article concerning the basic ideas of a Web new model. The article, headed "What Is Web 2.0 - Design Patterns and Business Models for the Next Generation of Software"1, compared some business practices on the Web to show deep differences between the current business model and the new possibilities of entrepreneurial development.

The Web is one and it will be always the same as long as its protocols are the same and its

1 http://oreilly.com/web2/archive/what-is-web-20.html
technological structures are valid. It doesn’t seem that HTML, HTTP, CSS, IP protocols and so on have been modified, yet. More simply, the chances of users – either citizens or consumers, either large, medium, small-sized companies or public management – have increased in order to build and run their activities on the Net. Unfortunately, some people, who were disappointed with the 2.0 Web, have already set the 3.0 Web, as a representation of the Semantic Web. Besides, as the decimal numbers are running out, Tim O’Reilly together with John Battelle has introduced, the concept of the “Web Squared”.

The Web building and the knowledge sharing can be possible thanks to the development and the use of some Web applications, that are carried out by the mash-up of existing applications. The chance of taking pieces of applications and existing services and of linking them each other, has completely disarticulated the market of computer programmers and coders and has supplied the companies with infinite chances of implementation.

**The new approaches**
The 2.0 Web is based on some very simple concepts:

1. the building of a Web content is much easier than before.
2. there can be a total sharing and building of contents by several people
3. it is difficult, almost impossible, to remain anonymous on the Web
4. you can surf the Net thanks to a mobile device, too
5. whoever surfs the Net contributes to modify it despite he doesn’t do anything special, surfing the Web is enough.

• The building of a Web content is much easier than before.

Until lately some programs, such as GoLive CyberStudio, were absolutely necessary and you also needed to learn and use the program and to know HTML. Today, it is sufficient to open a free account on Wordpress.com to get your own blog or a small Website in 5 minutes, without any code.

2. there can be a total sharing and building of contents by several people

Wikipedia[^1], Google Knol[^2], YouTube[^3] or Google docs[^4] are some examples of how to build and share knowledge and information on the Web. It is sufficient to surf the Net in order to cooperate with friends, colleagues or unknown people.

3. it is difficult, almost impossible, to remain anonymous on the Web.

Whatever device connects to the Net, it can be detected and the user can be traced. Concerning the social network, the companies must be clear. A company cannot chat on the Net without declaring its identity distinctly. The management of a clear and very good reputation on the Web is based also on the clearness of its own ideas and actions.

4. you can surf the Net thanks to a mobile device, too.

Thanks to a mobile phone you can surf the Net, upload a video from YouTube, modify a profile on Facebook or Linkedin, or a page on Wikipedia; send and receive e-mails.

5. whoever surfs the Net contributes to modify it despite he doesn’t do anything special, surfing the Web is enough.

All the Websites - from the main Internet portals to the simple blogs - can carry out detailed analyses about the users surfing modalities, thanks to free and very powerful tools, such as Google Analytics[^5]. The users’ surfing practices induce the sites managers to modify their

[^1]: http://www.wikipedia.org
[^2]: http://knol.google.com/k
[^3]: http://www.youtube.com
[^4]: http://docs.google.com
[^5]: https://www.google.com/analytics
The social media

According to tech guru Tim O'Reilly, “Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as a platform, and an attempt to understand the rules for success on that new platform.” People no longer use the internet strictly to gather information; they are interacting, participating and engaging with one another using Social Networking tools like MySpace and Facebook, and using e-commerce tools like eBay to buy and sell goods and services. They are also contributing their own online content, like on the user-populated online encyclopedia Wikipedia, which allows individuals to contribute to the vast resource of information, using blogs to share thoughts, opinions or details on topics of interest, and posting photos and videos on media-sharing sites like You Tube and Flickr. These interactive Web facilities are a defining part of how people today are using the Internet, and contribute to the overall evolution of “Web 2.0”.

The best definition of social media is by Niall Cook in his “Enterprise 2.0”, who states that the social media has got a wide meaning that includes both the practice and the final result of different pieces of information created on-line by those people who were previously media consumers.

The most intelligent and quickest companies have immediately understood that the users of social networks and social media could represent an incredible basin of potential customers. Today, it is not possible, of course, to communicate and to advertise in a traditional way. It is necessary to use the same communicating modalities as considered by the networks. The company listens to, introduces itself and, finally, chats clearly with its potential or actual customers.

The new culture of on-line communication: some insurance examples.

It is clear that new professional figures are needed for the online chats. Such figures can act only when the company has meant to change.

Some resistances still exist. During the Enterprise 2.0 conference held in Boston last June, 2009 - in a white paper - some results concerning some US companies have been taken into account. 52% of interviewees stated that the resistance to change is the worst danger to the new approaches of companies towards new activities of online communication.

Nowadays, the company that aims at winning the challenge in Internet and on the Web must accept the change, more specifically it must:

http://www.akabroker.com, “Blogging software is also readily available and can help you showcase your knowledge about the insurance industry. Some blogging tools can even be set up to publish your blogs without allowing readers to post comments (allowing you to control the message). Your brokerage can benefit from a regularly updated, informative blog that will drive people to return to your site, increase your Web traffic and potentially attract new clients. By blogging, you become more than just a broker – you become a resource for up-to-date insurance information” (source: Web 2.0 and the Insurance Industry by Erin McKeever, January 2009 IBAO Newsletter)

http://www.enterprise2dot0.com
http://e2conf.com
http://www.e2conf.com/whitepaper
- be clear
- listen
- be active
- show a propositional attitude
- collect its news, analyse them and interact.

From an online research, insurers are starting to realize the value of social software to enhance open communications, highlighted above. For example, in some companies podcasting has been recently experimented to distribute best practices and industry information within the sales organization, and the use of wikis as platforms has been explored to document IT standards and reference architectures.

Web 2.0 is defined as a “perceived or proposed second generation of Internet-based services - such as social networking sites, wikis, and communication that emphasize online collaboration and sharing among others,” according to Wikipedia. “I was ready to talk about the use of podcasting, videocasting, and social networking to market insurance products, but the people in attendance seemed most interested in blogs,” Mike Wise, IdeaStar Vice President of Insurance Technologies said. “That's a great start. Blogs are a great way to get a conversation going. But there is a whole new world out there and there is so much more available.” Mike Wise outlined several ways to promote an insurance product or service online, including the use of MySpace, blogs and podcasts, and the use of RSS feeds.

Initial insurer investments in Web 2.0 technologies have become part of ongoing efforts to enhance IT portfolios by combining redundant and closed technology functions into meaningful business services. When designed correctly, these services are exposed directly to partners, distributors and customers over the Web, resulting in more-flexible and cost-effective interactions.

**Case history: Generali**

The Assicurazioni Generali Group with his entities in 34 different countries has always been a vanguard in modern distribution. Long before the Internet web spread out into the world, Generali was already operating some very successful direct sales initiatives using hi-tech solutions. CosmosDirekt (www.cosmosdirekt.com) had been established in 1982 – which was selling insurance products via telephone in Germany. A similar story applies to Genertel (www.genertel.it), which was founded in Italy in 1994 as the first call centre in the Italian financial industry. As soon as Internet became available also to the public both CosmosDirekt and Genertel opened their first web sites form which they were capable not only to provide information to the customers but also to allow each and every purchasing and after-sales operation at a distance in a self service mode.

Today CosmosDirekt is the market leader in directly sold life products not only in Germany but within continental Europe. Genertel is the Market Leader in Non-Life in Italy and has recently started selling life products via web also benefiting from the Cosmos experience.

Several other initiatives of using the web in order to generate revenues and profits have recently started (e.g. Genertel Hungary, www.genertel.hu) or will start in the near future.

Using Internet as a real business generator, the Generali Group has already invested in several web 2.0 experiences on the web.

You can find below some examples of the Generali entities around the world:

- Client-fotogallery “Galleria del futuro”, www.genertel.it (Genertel, Italy) 2007. The gallery of the future was an initiative conducted together with the new advertising campaign in 2007. Site visitors are asked to upload of themselves a picture and

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13 Courtesy of: Giovanni Liverani, Direttore Servizio Operazioni Assicurative di Gruppo Assicurazioni Generali SpA
provide a 3-sentences description of the future they want (e.g. +technology- waste +love). All the visitors can vote and each month the most voted profile is published on the homepage. E-bay (Genertel, Italy), 2009. This time the costumer should choose the price. So Genertel made an auction for a motor (MTPL) product on e-bay. The response was very strong and created a controversial discussion within the insurance industry on pricing

- Vogliounavita, www.vogliounavita.it (Genertel, Italy), 2009. Costumers can upload their vision within a photo and a reminder on a specific website. (I want a …life). The goal is to create a community together with the creative Oliviero Toscani.
- EuropeAssistance blog, blog.europassistance.it ([Italy]) 2005. The official corporate blog of Europe Assistance Italy, putting together topics of travels and safety and promoting EA initiatives.
- TerraFemina, www.terrafemina.fr, (France) 2008. Partnerships with the site Terra Femina, a women community website. Identify trends and issues linked to women and their saving accounts. The goals were to use the interactive contents to attract surfers and get to know them and to let woman design their own product.
- Kontsurnous, www.kontsurnous.fr (France) 2009. Another revolutionary concept: Hook up with your friends and buy together online your car insurance. For this you get K-points, which could be used for reducing the deductible in a case of accident
- Wecarelife, www.wecarelife.at (Austria) 2009. The goal of this website was to create a community about leisure time activities (Holiday, Sports, health...) and to get to know better the community members. All Generali costumers are invited – and are having exclusive information on the site. In a second phase it is planned to co-design products via this website.

CONCLUSIONS

The insurance industry has been particularly slow to leverage collaborative technologies such as blogs, wikis and podcasts in the public domain. While these communication tools offer an opportunity to engage our customers, partners and shareholders in a direct and often more-personalized conversation, they can be perceived as a challenge to existing corporate communication controls and processes. While these technologies produce new data sets that can be used to create original and innovative services, they may contain sensitive and personal information that will require robust data security solutions.

In addition, the use of collaborative technologies outside the walls of enterprises will require information protection and legal experts to ensure the security of intellectual property and other private information. Such a danger is highlighted also by the Italian responsible of Vittoria Assicurazioni, who hopes in a better system of control of e-mails and Internet services. In Italy, according to a responsible of Zurich Insurance, the available technologies are in a greater number than the ones that people can use. This cultural gap refers to the insurance companies, above all.

REFERENCES

Insurance for foreign citizens of the European Union staying in Italy requesting registration. Pre-contractual information document on non-life insurance contracts (non-life DIP) GeneraSalute RSM. Generali Italia S.p.A. Generali Italia S.p.A â€“ Tax Code and registered in the Treviso-Belluno Business Register no. 00409920584 â€“ VAT number 00885351007 â€“ Share Capital: euro 1,618,628,450.00 i.v. - Pec: generaliitalia@pec.generaligroup.com. Company registered in Italy with the IVASS Business Register no. 1.00021, subject to the direction and coordination of the sole Shareholder Assicurazioni Generali... Insurance groups play an important role in the Italian economy. Italian insurance firms provide a varied pool of services to the society, all aimed at risk protection. Italy is 4th in Europe in terms of the premium collection and 7th in the world. The industry had a profit of 5.7 billion Euros for both life and non-life insurance in 2015. The Assicurazioni Generali Group began as a company operating from Trieste on December 26, 1831. At the time it was founded, Trieste was the most significant seaport in all of the Austro-Hungarian Empire. The company followed an upward trajectory to become a top insurance operator not only in Italy but also in Central Europe. The Group mainly has a presence in Europe, East Asia, in addition to the Middle East. To remain competitive, companies are investing in modern information systems like Enterprise Resource Planning (ERP) software, which integrate the different functional areas of the business, and provide consistent real-time data for fast decision making. ERP systems help companies manage their operations seamlessly across the globe. Modern Day Use of Information Systems. In order to retrieve order status information, customers were frequently directed to contact the companyâ€™s warehouse for manual research! Today, companies have eliminated the inaccuracy of paper-based tracking by implementing ERP systems. More specifically, it provides ample. [Show full abstract] the examples of cases selected among the major insurance Italian companies (Generali) in order to highlight the valuable role of the direct service provider within the complex process of production and consumption of policy insurances and auxiliary services. The paper addresses the need for research on a particular service sector by indicating the unexplored issue of one-to-one marketing strategies adopted by the insurance industry in the era of modern Information Technology. Generali Insurance Asset ManagementS.p.A. Società di gestione del risparmio, is one of the asset management companies of Generali Group with its registered office at 34132, Trieste, 4, via Machiavelli, Italy, registered at the Albo delle Società di Gestione del Risparmio in the UCITS Section, under no. 18 and in the AIF section, under no. 22 and subject to the direction and. Generali Investments reserves the right to amend or supplement the information on this Site at any time without advance notice. Absence of advice.