

A Sustainable Marketing Strategy Based on Customer Satisfaction: The Case of Dongbu Insurance in South Korea

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Abstract

In Market 3.0, where customers are participating in corporate business actions and decision making, the customers' role has become more important and has even turned into a core value every company should observe carefully in order to maintain it longer. Consequently, the only way to be more competitive is by adopting customer-centered key values. Dongbu Insurance, one of the top three insurance companies in South Korea, became a successful company by adopting this customer-centered management and has further developed its marketing strategy accordingly. The main purpose of this case study was to examine how the Korean insurance company overcame internal and external critical situations utilizing a competitive marketing mix strategy and how it became one of the most successful and sustainable insurance companies in Korea. To investigate this, secondary data analysis and comparative research methods were used according to the chronological improvements made by the insurance firm. This study stressed that the key factors of Dongbu's marketing mix strategy focused on customer satisfaction. Two crucial lessons that this study revealed about Dongbu Insurance is the importance of developing real customer-centered products and raising brand awareness and recognition by utilizing various channels such as call centers, SNS, blogs, customer evaluation groups, and the Promy brand. This case study would help the insurance industry to comprehend the importance of adopting a customer-centered marketing mix strategy in a hostile business environment. However, the findings from this research may not be generalized due to the fact that only one company case - Dongbu Insurance - was chosen from South Korea.

Keywords: customer satisfaction, marketing mix strategy, customer value, Dongbu Insurance, customer relationship, insurance industry

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In order to remain successful and sustainable, companies are focusing on the discovery of new methods to survive, maximize profit, and reach their corporate goals in this fast moving society. Solely pursuing financial goals such as economic growth and profits has proved to be inefficient. However, focusing on customer satisfaction places emphasis on customers and their needs in order to gain profit and has shown real promise. This method allows much more convenience and a greater satisfaction for the customers, resulting in loyal and returning customers. Companies that are not customer-focused cannot survive in today's market since the customers make the final decisions ; in other words, the customers are the core value and should be treated as such.

Dongbu Insurance, one of the leading insurance companies in South Korea, has successfully focused its marketing strategy onto the consumer's happiness, leading to an increase in its new consumers and the retention of regular customers at the same time. With their vision statement being 'A global insurance financial group that pursues a happy society with customers,' Dongbu Insurance is pushing the development of its products and

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services, which are mostly centered on customers' needs and is endeavoring to become a good company. The weak points that are exposed through the customers' feedback are quickly improved, providing the customer with a satisfactory feeling resulting in prolonged stable relationships with Dongbu Insurance. Implementation of the marketing mix strategy that is centered on customer satisfaction has provided Dongbu Insurance with a high growth rate in the industry and has facilitated in increasing the market share (e.g. retaining over 6.6 million traditional customers by March 2013 according to Maeil Business Newspaper). In addition, the competitive strategy of Dongbu Insurance enabled the firm to overcome numerous difficulties in internal and external environments. Consequently, those difficulties became the main drivers for Dongbu Insurance to be sustainable in its industry. Customer satisfaction has been investigated in various studies as a valuable key factor (Kang, 2014 ; Oliver, 1997; Wiers-Jenssen, Stensaker, & Grogard, 2002). This study validates the significance of customer satisfaction (by using a genuine corporate case) especially in terms of the marketing mix strategy. We have analyzed the case of Dongbu Insurance in Korea and have highlighted the main factors of the marketing mix strategy which enabled Dongbu Insurance to overcome many hardships (i.e. tough environmental circumstances).

Literature Review

➡ **Marketing Mix Strategy** : Several researchers came up with brief ideas about the marketing mix until its notion and definition were formed for the first time by Borden (1964). We referred to a thesis (Cho, 2008), which showed a review about the historical background of the marketing mix and its defined concept. Chamberlain (1993) offered a foundation since he suggested that there are more important non-price variables like product quality, brand, and advertising a manager can control to affect a business. In the study of Culliton (1948), a manager was designated as a decision maker who adjusts and controls various business factors to get effective achievement. Frey (1961) and Kelly and Lazar (1962) proposed different controllable variables similar to some of the marketing mix's present factors. After this, Borden (1964) established the notion of the marketing mix and defined it as a collection of marketing tools to be used to attain a firm's objectives (e.g. profit growth) in the target market. His 12 sub-elements consist of product planning, pricing, branding, channels of distribution, personal selling, advertising, promotion, packaging, display, service, physical handling, and fact finding & analysis. Next, McCarthy (1968) redefined marketing mix by adducing four elements of the marketing mix which are generally considered as the most basic 4Ps today.

Besides, Kotler and Keller (2011) agreed with Borden's definition about the marketing mix and Perreault and McCarthy (2002) accentuated marketing mix as another set of mixed and controllable selling tools to satisfy aimed markets in the same vein. As such, the marketing mix strategy, which is deemed as the core conception in a marketing principle (Zeithaml & Bitner, 2000), is a collection of all implemented marketing strategies a corporate can take advantage of, and it is the most well-known optimal mixed strategy to achieve a company's goals such as the rise of corporate values gratifying customer's needs and desires at a time. The marketing mix strategy comprises of 4Ps: product, price, promotion, and place. According to corporate conditions, environment, and goals, these four factors should be combined and used effectively. The present case study also utilized the marketing mix with 4Ps to analyze Dongbu Insurance's success.

➡ **Customer Satisfaction** : Customer satisfaction is developed when companies are able to provide better products and services than consumers' expectations, and this leads to trust and draws repurchase behavior from customers. Customer satisfaction related to the individual's expectations is regarded as an important factor contributing to corporate profits and consistent existence. Anderson, Fornell, and Mazvancheryl (2004) and Gruca and Rego (2005) mentioned that there is a relevance between customer satisfaction and corporate cash flows ; Yeung and Ennew (2000) also argued that customer satisfaction positively affects factors related to the financial statement such as turnover, operating income, net income, and retained earnings. Similar results from another study showed that satisfaction directly influences a firm's financial income (Luo, Homburg, & Wieseke, 2010). Sirohi, McLaughlin, and Wittink (1998) pointed out there is a relation between customer loyalty and customer

satisfaction, and they stated that customer loyalty is generated due to customer satisfaction. Muller (1998) mentioned that customer loyalty must be helpful to increase the market share of a company. A number of researchers (Clancy, Berger, & Krieg, 2013; Jones & Sasser Jr., 1995; Oliver, 1997; Tellis, 1988) have cited customer loyalty as the customer's behavioral intention that affects the purchase of the same brand's products and services repeatedly and retention of customers as the corporate asset. In other words, satisfaction brings customer loyalty (Fornell, Mithas, Morgeson III, & Krishnan, 2006), payment intention (Homburg, Koschate, & Hoyer, 2005), and customer retention (Ittner & Larcker, 1998), and it aims to raise a firm's revenues (Aksoy, Cooil, Groening, Keiningham, & Yalcin, 2008; Anderson, et al., 2004). Furthermore, Srivastava, Shervani, and Fahey (1998) claimed that satisfaction might be helpful to penetrate markets and capacitate firms to accelerate earnings. Hence, it can be observed that the previous studies identified a link between customer satisfaction and a company's sustainability with its profitability and customer's attitude. Consequently, adapting a firm's values to suit the needs and happiness of the customers would be necessary, and most companies have regarded customer satisfaction as a critical factor to remain competitive in the present times.

Dongbu Insurance : Background of Corporate Customer Satisfaction

➤ **Dongbu Insurance :** Dongbu Insurance is one of the leading insurance companies in South Korea today, providing different types of insurance related to overall life as well as automobile and driver insurance. Founded in March 1962 and incorporated into the Dongbu Group in 1983, the company expanded its fields into driver, individual annuity, retirement pension, accident insurance, and so on. It became one comprehensive insurance company after creating unrestricted coverage liability insurances for vehicle owners for the first time in 1976. Since then, it has succeeded in globalization by having four overseas branches in Guam, Hawaii, California, and New York and four offices in Beijing, Ho Chi Minh, London, and Jakarta. It has 58 branches and 13 compensation centers in Korea.

Dongbu adopted Promy as a main brand in 2002, which is derived from the English word “Promise” and indicates that Dongbu Insurance will always deliver on its promises. The Promy can be regarded as the starting point of customer satisfaction. After Dongbu Insurance launched Promy SOS Speed service committed to helping its customers by sending investigators right to the scene of the accident, it has been focusing on increasing customer efficiency and satisfaction. The corporation was also affected enormously due to the Dongbu Group (by having an ethical and transparent management because the Dongbu Group took over the managerial right of Dongbu Insurance). Keeping its own ethics code and CS from 2007, Dongbu Insurance introduced the concept of sustainability management, which makes a contribution to the society and to the environment as a social responsibility to give corporate gains back to the society. After that, the firm proved its strong influence in the insurance industry by ranking first in Insurances Sector of Dow Jones Sustainability Indices Korea (DJSI) primarily in 2009 and even in a higher level-DJSI Asia-Pacific in 2012. Furthermore, Dongbu was even selected as a leading company of the DJSI World for the first time in the insurance industry in 2013, which also means it occupied a place in the top 15 global insurance companies which achieved the highest level of corporate sustainability. Dow Jones Sustainability Indices are known for the most objective management evaluations and are helpful to anticipate the extent of worldwide importance of social responsibility. Dongbu Insurance was included in DJSI World, thereby proving its strong sustainability and also proving that it can be recognized as a sustainable and robust company that gives a positive trustworthy impression to its customers.

➤ **How did Dongbu Develop Customer Satisfaction? :** Since the insurance industry has direct connections with capital flows of domestic and international situations, it is vulnerable to the negative effects from local and international economic environments. This being so, the reasons why Dongbu had to adopt customer central management are explained using Dongbu's annual reports from 2006 to 2012.

Dongbu Insurance dealt with critical problems such as business shrinkage caused by the global financial crisis from the U.S. in 2008 and Europe in 2011. Domestically, it also had to struggle with intense keen price competition

with other insurance companies and banks in the saturated insurance market. In addition, it was observed that unethical financial institutions (such as saving banks) that imposed restrictions and caused business suspensions betrayed customers' complete trust in the financial industry. While Dongbu had been struggling with these difficulties, it shifted its focus to increasing customer value and gave importance to overcoming these kinds of crises. Before building up customer centered management, Dongbu Insurance was in a predicament from the unexpected deterioration of loss ratio in the automobile insurance field because of the rapid increase of the moral hazards and the bitter price competition faced by it in 2006. After facing such a difficult scenario, the company felt the need to adapt the new management for its internal organization in 2007. The new management innovation called Change and Challenge No.1 was based on differentiated customer service and products, rigorous profit and loss management, and ethical management & CSR to keep customer loyalty and to eradicate the influx of bad customers.

The management of Dongbu Insurance shifted its focus to lay maximum emphasis on customers and their contentment. Under the new management in 2007, bancassurance, implying that banking institutions could sell comprehensive insurance products, started to spread in the automobile insurance industry, and the Capital Market Integration Law was established, which allowed financial organizations to develop any kinds of financial products and services regardless of their own specific areas and strongly reinforced protection of consumers' rights and interests. In other words, the regulations and supervision for customer protection were strengthened, and the insurance markets became more competitive owing to the changed integrated law. Therefore, this became a reason that triggered the development of a strategy for enhancing customer satisfaction and customer value against the rapidly changing environments and unpredictable future in the following year, 2008. Due to its customer-centered management, the corporation was selected as a great company that protected the interests of its customers by Financial Supervisory Service (FSS) (South Korea's integrated financial regulator), and it also received A (Excellent) level solely from the worldwide insurance evaluation organization called A.M.Best Company in 2008 (when the worst global financial crisis occurred). Due to the new management and its policies, Dongbu Insurance was not affected by the global financial crisis. After the initiation of the customer value based strategy, the corporation doubled its net income in 2007 as compared to 2006 as shown in the Figure 6. This shows how powerful and successful the customer centered management proved to be for Dongbu Insurance and this analysis also throws light on the importance of marketing strategy related to clients, which, if it clicks (as it did in case of Dongbu Insurance), leads to a significant growth in a corporate's financial status.

Afterwards, Dongbu Insurance grew into a successful assurance firm with continuous growth in corporate net income and became aware of the great importance of customers and their satisfaction. Hence, starting off by focusing on customer value centered management until reaching the terminal goal of customer satisfaction (CS), Dongbu Insurance had to generate a great deal of goods in order to create more and more new clients and also to retain the existing customers. Marketing strategies related to CS proved to be helpful to overcome any hard times and have proven useful to manage the company since then.

Successful Customer Satisfaction Marketing Mix Strategy

Even though Dongbu Insurance has faced diverse difficult situations due to the ever-changing international and domestic affairs every year, it could cut the knot in difficult situations because its number of customers gradually increased over the years. In other words, customers are the most important factor to be sustainable in the ever-shifting market. In this study, we have analyzed how the marketing mix strategy of Dongbu automobile insurance company focused on customer satisfaction and have ascertained how the company's strategies were changed to make it more sustainable and powerful over the years. The Table 1 shows how the customer-focused strategies of Dongbu Insurance were changed dynamically.

Product Strategy

Dongbu Insurance (since 2007) has put in a lot of efforts into its products for achieving customer satisfaction and

Table 1. Chronological Adjustments of Customer-Centered Strategies and the Accompanying Details

Year	Main Direction	Detailed Contents
2007	Groundbreaking increase of customer value	Reinforcement of customer satisfaction base, moral risk management, and differentiated customer service.
2008	Differentiated service quality and strategic customer management	Differentiation strategy in service, loyal customers, and perfect sales. Customer management based on value.
2009	Integrated customer marketing, reinforcement of customer value and protection	Effective compensation through the system redesign and consolidation of moral risk management.
2010	Becoming the most trustful company via customer value and customer orientated marketing	As highlighted social issues and new laws are related to customer protection, the importance of customer has become evident. Radical perfect sales and task process were rearranged for customers.
2011	Profit structure betterment through differentiated customer and product strategy	Portfolio improvement of long-term permanent protection insurances and creation of customized products for an aging society.
2012	Prosecution of customer protection and corporate social responsibility(CSR)	Strengthening customer information protection, controlling perfect sales management, and developing CSR activities.
2013	Development of international business and products for an aging society	Expectation: Low growth and interests, aging society. To handle those three worst facts, Dongbu Insurance needs to create more products and services for seniors, and open new markets abroad.

Source: Dongbu Insurance's Annual Reports from the 40th (2007) to 46th report (2013)

customer loyalty. Its products are mostly focused on customer needs, and they are following new trends. The products of Dongbu Insurance possess three strategic characteristics :

➡ **Potential and Real Users' Participation in Product Creation and Evaluation :** At Dongbu Insurance, products are created by assessing the customers' actual needs. Customer feedback is received not only from its website and call center, but also by using initiatives such as the “Customer Idea Contest” and “Customer Evaluation Group”. The goal of the Customer Idea Contest - that ran from 2007 to 2011 - was to create the products which gratify customers' needs and to complement products' weak spots, thereby allowing the introduction of new products such as the woman's story insurance and funeral service in addition to modifying several insurances by implementing customers' feedback and suggestions. Newly developed ideas included overall social atmospheres and trends such as an aging society, increasing women's social activities, and growing education heat and different lifestyle up to the age. The insurance firm also offered other kinds of contests such as the Thesis Contest or Promy brand UCC making contest. These contests offered several advantages for the organization. They aided in the development of product strategies and targeted the right set of customers by anticipating social trends and changes, and Dongbu Insurance was able to gain deep insights into customers' requirements by analyzing the feedback that was received. Moreover, new or modified insurance products developed by incorporating customers' suggestions were meaningful and essential to attract new customers.

The customer evaluation group, comprising of 21 housewives, has been playing a significant role in communicating with customers, researching about the company's brand image, gaining additional information, and giving feedback regarding marketing issues since 2010. That is, this group plays the role of a monitor as it assesses the customers' feedback and provides suggestions to Dongbu Insurance on the basis of the received feedback. So, the customer evaluation groups generally launched investigations into customers' needs and brand image through customer polls and visited branch offices, customer service centers, and emergency centers unannounced to monitor if services for customers were being offered properly and checked and evaluated the quality of the services being provided to the customers. They also conducted face to face surveys and focus group interviews to develop and create new products and found ways to improve and expand the brand. It was observed that 273 ideas and opinions out of the 502 that were suggested by the group members were adopted by the management of Dongbu Insurance, and these suggestions proved to be helpful to improve compensation systems and sales processes of the company.

➡ **Quick Resolution of Complaints and Looking into Customer Dissatisfaction :** In order to build a strong bond with the customers, unsatisfactory aspects of products and services should be improved, especially in the insurance sector, where customer service is the most important aspect of customer satisfaction. Dongbu Insurance has kept its ears open to listen to what customers say and resolves their grievances quickly through its VOC system and call centers. To improve upon its weak points, the company established a Customer Support Center in 1999, and developed and implemented the VOC (Voice of Customer) System and upgraded to a high tech call center with CTI (computer telephony integration) in 2002 (Suh & Kim, 2012). The VOC system communicates with customers via online and offline channels, including website and call centers and handles problems immediately following a policy of responding and solving complaints within an hour. At the same time, call centers are used in Seoul, Jeonju, Wonju, and at home offices in order to satisfy customers. The first call center in Seoul focuses on overall tasks for insurance contracts and consultation. Dongbu Insurance can manage information inquiries better through the 2nd Call Center in Jeonju that handles emergency services, accident reports, and so on. The home-based call center is used for monitoring 24 hours since 2007, and the third Wonju call center, founded in 2011, is engaged in most tasks related to insurance contract and emergency services, and this center would be used as a back-up in disaster situations (Suh & Kim, 2012).

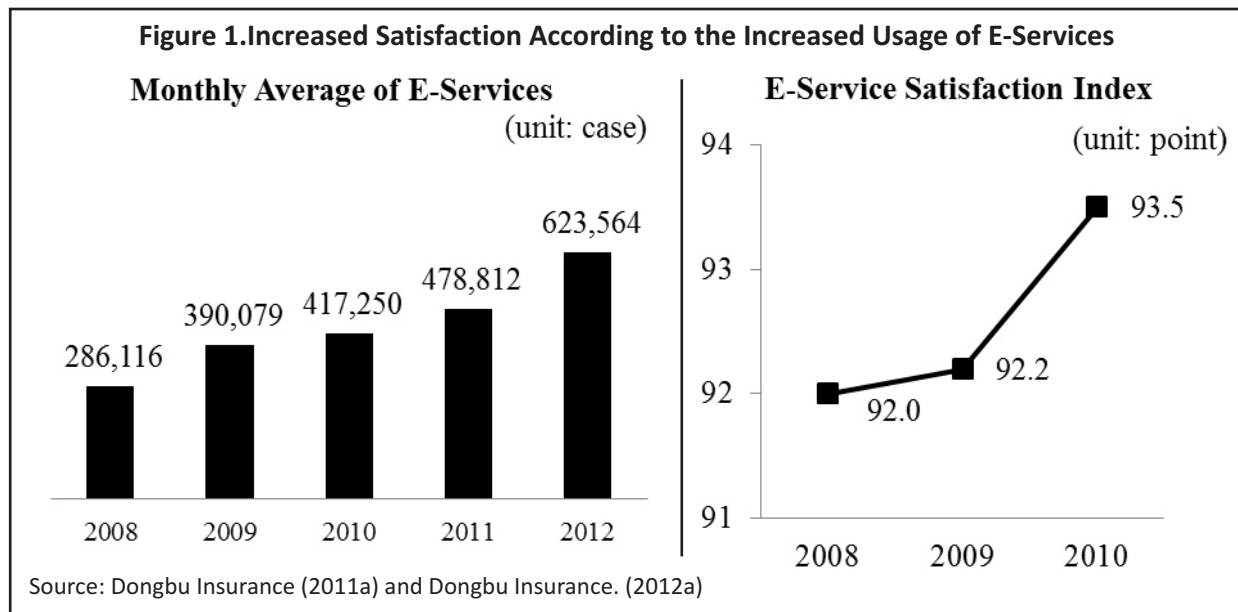
Dongbu Insurance offers additional services in call centers to minimize difficulties in the automatic response system (ARS) service with a shorter procedure and silver care service for seniors who are not accustomed to using ARS. Furthermore, the company provides different kinds of foreign language services for foreigners, and a qualified interpreter accompanies an investigator to the scene of the accident. The company has also made available counselors in the evening and on the weekends for working clients. To decrease customers' complaints and inconvenience, it is important for companies to create specific targeted services reflecting societal trends and atmosphere. The well-equipped call center and VOC system have resulted in consistently high satisfaction from customers, even if the number of customers using these services has grown (refer to Table 2). Thereby, Dongbu Insurance won the superb call center certificate at the Korean Service Quality Index (KS-SQI), one of the most authoritative CS evaluations in Korea, for 3 consecutive years since 2010. Furthermore, its call center led Dongbu Insurance to be ranked first at the Korean Standard–Contact Service Quality Index (KS-CQI) in the insurance field in 2013, and that evaluation was based on mystery calls and the measure of customer satisfaction. Through all these communicating organizations, Dongbu Insurance resolves all matters related to its own products quickly and considers all complaints from customers as real advice.

➡ **Fulfilling the Customers' Needs and Convenience in the Information Age :** According to the rapidly changing circumstances, especially in the information age, Dongbu Insurance has also tried to meet the customers' needs promptly with respect to the current trends by means of communication through their website and smart phone updates. These services help customers to get in touch with Dongbu Insurance without visiting the insurance company when they need the documents or information. For example, an insurance planner program can be used to find the most suitable products for the customers, and moreover, clients are able to access this information anytime to get some knowledge and can check and change the insurance plan without any difficulty. As is depicted by the

Table 2. The Number of VOCS and Monthly Average of Call Services and Satisfaction

	Number of VOCS Cases	VOC Handling Satisfaction Rate	Monthly average of call services provided	KSQI Consulting S* Index (unit: point)
2008	11,265	85.6%	-	-
2009	13,080	81.3%	-	-
2010	16,457	87.7%	730,171	93
2011	25,556	88.0%	817,301	95
2012	31,684	89.0%	906,853	94

Source: Dongbu Insurance (2011a) and (2012a) S* - Satisfaction Index



left graph in Figure 1, the monthly average usage of Dongbu Insurance's e-services increased markedly from 2008 - 2012, and 623,564 online services were offered in 2012 according to a recent report. In addition, the e-service satisfaction index also increased consecutively, and Dongbu got 93.5 points out of 100 points in 2010.

Dongbu Insurance started offering a smart phone application service, called Smart Zone for its own customers from 2011 and PPS (Promy Phone System) to its compensation employees. The app shows the location of car accidents, so that its employees can manage the accident situation quickly and easily by using a smart phone, which is Dongbu Insurance's attempt to keep itself abreast with the latest technology. When clients want to promptly contact the insurance company because of car accidents, it is possible for them to use the application anywhere and anytime. Compensation can be paid on the scene right away via PPS. Furthermore, customers can receive not only their certificates with ease without visiting the insurance firm, but they can also get detailed product information and any information that is needed for insurance claims by connecting to the Smart Zone via a smart phone. These electronic systems have resulted in an increased satisfaction both in the compensation sector and in the emergency and site dispatch service sector. The company received 97.3 points in satisfaction for its developed compensation handling in 2012, which meant an increase of 3.2 points over the previous year and also got 92.8 points in emergency and site dispatch service satisfaction ; this score also received an added 1.2 points over the past evaluation. Therefore, it can be seen that Dongbu Insurance tries to keep up its promise that they will show up wherever customers are in trouble in less than 30 minutes and deal with problems swiftly as soon as its personnel get contacted via a smart phone device. By introducing new services and features, the company has gone to great lengths to maintain customers' trust, and it has also succeeded in improving its corporate image positively by capacitating to provide a high level of convenience and more satisfaction to its clients.

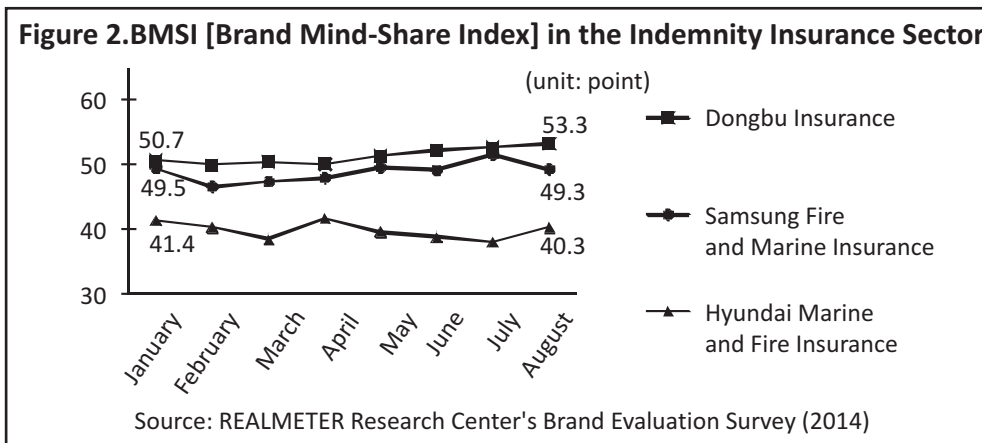
Promotion

➡ **Integrated Promy Brand Strategy :** To keep raising its brand awareness continuously in people's mind and to get closer to customers in a better way than its other competitors, Dongbu Insurance carried out an integrated brand strategy with the “Promy” brand, known for its mascot and trustful image. Promy stemmed from the word “Promise” and shows a management philosophy that the company is sure to keep a promise with its clients. The main brand consists of two sub-brands such as the automobile insurance brand “Promy Car” and long-term insurance “Promy Life”. The insurance brand Promy Car has a central slogan, “A person has the priority over a

Table 3. Brand Evaluation Ranking

Category	2008	2009	2010	2011	2012
Initial Brand Awareness	2nd	2nd	3rd	2nd	2nd
Total Brand Awareness	2nd	2nd	3rd	2nd	2nd
Initial Advertising Awareness	1st	1st	1st	2nd	1st
Total Advertising Awareness	1st	1st	1st	2nd	1st
Advertising Preference	1st	1st	1st	1st	1st

Source: Dongbu Insurance (2011a) and Dongbu Insurance (2012a)



car,” which shows the company's strong will to provide the best services to its clients no matter what. An integrated brand strategy gives Dongbu some advantages to promote its brands. First, the integrated brand is known to have brand unity. Therefore, it makes people to recognize its brand readily for a short time. Thanks to the success of Promy car's advertisement, people remember the brand better and can simply recall the brand when they see other related products. Second, it is better to have one simplified integrated brand to develop products and services under that name than to have different brands for each product and service, which increases confusion in customers' minds. In addition, an integrated brand, which has a partially similar main name might sound familiar to customers in the market where a tremendous number of brands exist. It is also possible to reduce the promotion budget by using the same brand. The results of the integrated brand can be ascertained from a customer survey conducted by Gallup and Oricom in 2012. Among the four biggest insurance companies, Promy brand's influence was significant as shown in the Table 3.

Dongbu Insurance always maintained its lead position in the advertising preference for 5 years and also took the first place in initial and total advertising awareness in 2012. Moreover, the Brand Evaluation Survey performed by REAL METER Research Center for SBS, CNBC, and SUNY Korea during 2013-2014 showed that Dongbu Insurance had maintained its first place continuously in the Brand Mind-Share Index (BMSI) as shown in the Figure 2. The BMSI survey is investigated monthly in accordance with brand recognition, customer preference and satisfaction, and the frequency of usage in 20 types of businesses, which are highly related to the consumption life. Therefore, these two logical references show how much Dongbu's integrated brand 'PROMY' has had a lasting impression on people's minds. It is evident that having a strong brand image can create a huge synergy for the brand and the organization.

➔ **Communication Marketing Strategies by Utilizing Animated SNS and Characterized Blogs :** As the Internet has propagated rapidly, and smart phone usage has increased considerably, social networking services and personal blogs have become important platforms companies should not miss to communicate with their regular and potential customers. These platforms are also beneficial for firms, and they should take advantage of these

online mediums to attract more and more young consumers. Dongbu Insurance launched specialized blogs to build its brand image and close relationships with customers, and also to get additional information which will be helpful to create new products, and also carried out communication marketing strategies using social networking sites (SNS) such as Facebook and Twitter.

Dongbu Insurance chose parents and vehicle owners as main targets and concentrated on activating the “Kidslove blog” and the “Mycarlove blog IN:D” unlike other companies. Both blogs contain beneficial advice and information for customers - regardless of the fact whether the visitors are customers of Dongbu Insurance or not. The Kidslove blog is particularly focused on the know-how of raising children and has content related to cultural festivals, healthy recipes for children, ways to cope with diseases, and so on. The Mycarlove blog provides insurance knowledge with webtoons, tips about cars and tourist destinations, and is designed for young people interested in cars, that is, potential customers as well as automobile owners. These two blogs help support a positive and open relationship with the public. The blogs provide useful tips that are attractive to the customers without requiring them to register with the website or imposing other limitations. Besides this, Dongbu Insurance is also operating on Twitter and Facebook. On these two SNS, Dongbu promotes its products and services extensively through sharing posts and frequently participating in events. It even builds an intimate positive image by answering questions from customers right away and communicating interactively. As another avenue to meet potential young clients, Dongbu Insurance significantly increased its communication through blogs and SNS for a year, and it resulted in 134513 blog visitors, 10429 people who subscribed on Facebook, and 4341 followers on Twitter (Figure 3).

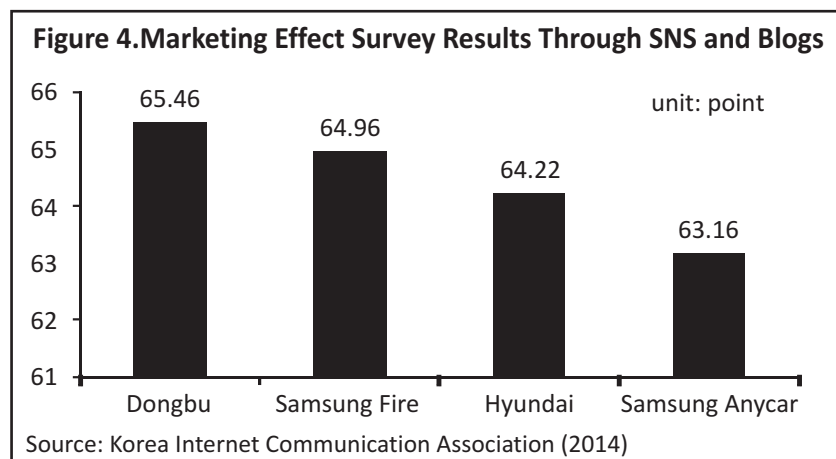
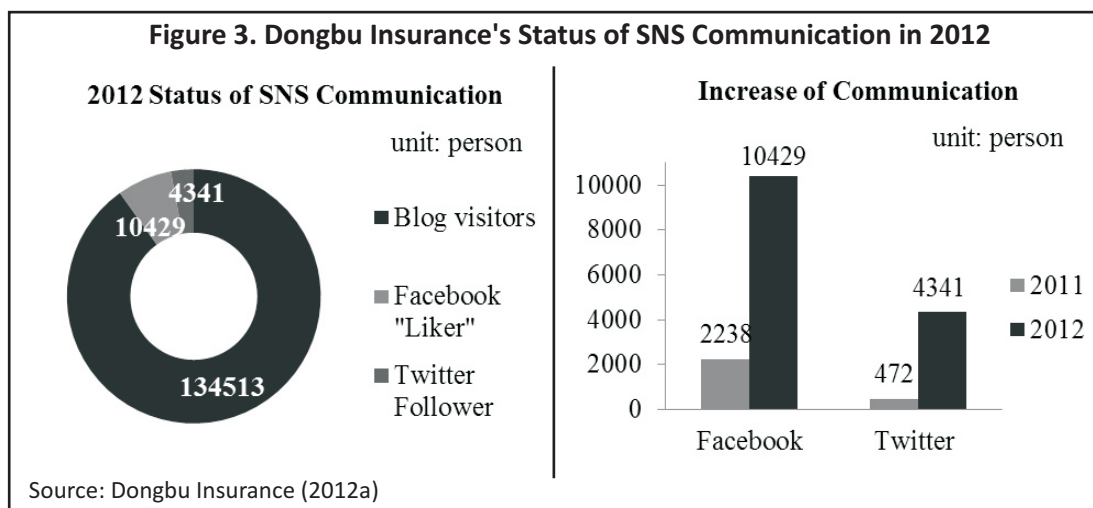


Figure 5. The Promy Volunteer Corps along with the CEO and Executive Members of Dongbu Insurance

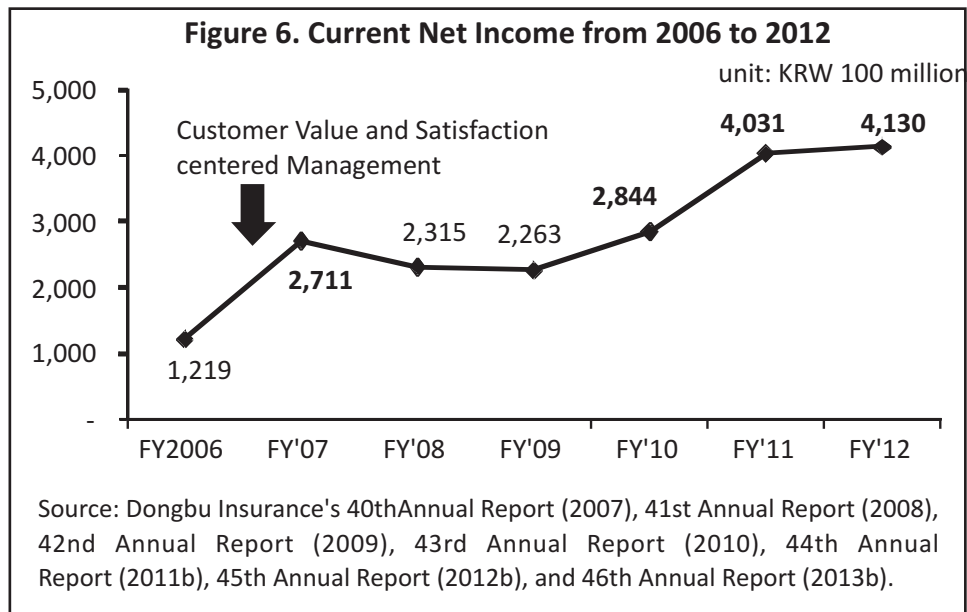


Source: Website of Dongbu Insurance

Owing to the tremendous increase of users on blogs and SNS channels, Dongbu Insurance received the Social Media Grand prize in Indemnity Insurance sectors by Korea Internet Communication Association in November 2013. Dongbu Insurance also scored higher with regard to SNS and blog activities than Samsung and Hyundai in the marketing effect survey which was completed by 5840 people (Figure 4). This survey demonstrated that Dongbu's social networking services have greater beneficial effects on communication with customers, even if Dongbu joined the social networking bandwagon relatively later than other companies.

➡ **CSR Activities Through Promy Volunteer Corps :** Dongbu Insurance has also contributed to CSR, thereby bidding to be a good company by using sustainability management as a main administration tool. To strive to conduct social contribution activities, the firm organized and activated the Promy Volunteer Corps in 2006 for the first time and also provided various helpful support activities in many ways. The company has supported families who lost their parents in car accidents and also expanded the range of support for multicultural families and firefighters. The firm also supported a baseball team comprising of deaf children at Chungju Seongsim School as well as sponsored sports activities such as KPGA golf competition and FIFA-U17 besides its own basketball team (Dongbu Promy basketball team). The Promy Volunteer Corps, organized in 7 different cities in Korea, has taken part in many volunteering actions along with the CEO's autonomous participation. Dongbu's CSR activities are primarily focused on underprivileged people. The Promy Volunteer Corps helped the underprivileged by delivering rice and briquettes, offering aids to short-handed farms and building love houses, especially for multicultural families and old and weak people as shown in the Figure 5.

This group provided over 18 societal services in 2013, and these social contributions allowed the company to build up a positive image in the minds of the customers and helped in developing public relations. By using its own brand name, Dongbu Insurance could garner a positive impression for being a representative of a good ethical corporation participating in CSR activities.

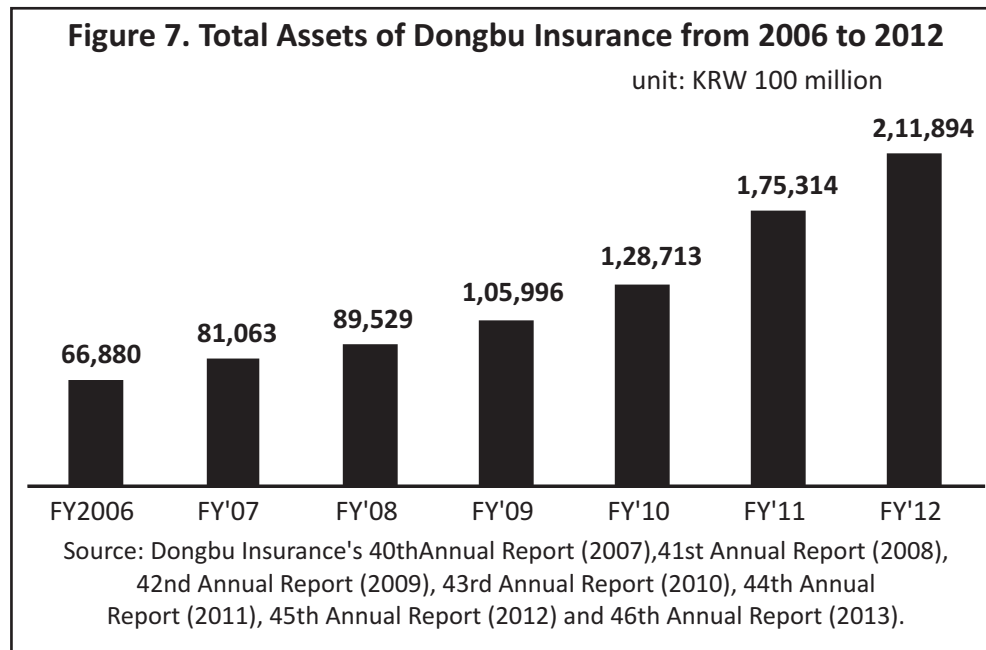


Marketing Performance

Dongbu Insurance has become one of the most powerful insurance companies in Korea since it realized how important it is to accept a customer-centered marketing strategy. First of all, Dongbu was able to attract customers steadily every year through differentiated targeted products which facilitated the constant growth of the firm. Awarded with the superb Call Center certificate in the most prestigious customer satisfaction evaluation of KS-SQI in 2012 and the grand prize in 2013 Korea Service, Dongbu Insurance increased its number of clients to over 6,600,000 by June 2013 through differentiated strategies focusing only on customers even when the insurance market had already been saturated and the industry was losing ground. According to the customer evaluation groups and other committees, Dongbu could create innovative products and services that were required by the customers and these efforts of the firm constantly brought in new customers.

The Figure 6 shows the net income of the firm over the last 7 years. A significant growth is visible between 2006 and 2007 because Dongbu embarked on customer-centered management in 2007. This growth (almost doubled net income in 2007 as compared to 2006) demonstrates that the implemented marketing strategy was received positively by the customers and produced effective results in terms of financial profits for the firm. Furthermore, the current net income for the last 7 years rose consistently, even though the net income in 2008 decreased because of the U.S. financial crisis. The impact from the global economic stagnation was considerable, so Dongbu Insurance had to strengthen the competitiveness in sales; 2009 was another difficult year for Dongbu Insurance because of the limitation of medical expense guarantee and deteriorated loss ratio of automobile insurance. Although the current net income in 2008 and 2009 was not as high as it was in other years, the steady efforts of the firm with the marketing mix based on customer value and satisfaction helped Dongbu to overcome these difficulties and contributed to the positive current net income growth as shown in the Figure 6.

The total assets for 7 years from 2006 to 2012 of Dongbu Insurance are shown in the Figure 7, and this Figure reflects how the company has been running its business since it has focused on the significance of customer value and their satisfaction. This indicates that Dongbu Insurance has had a constant growth in total assets and proves its successful management improvement. Dongbu Insurance is currently one of the top three insurance companies in Korea, and it has been maintaining its brand image and has been forming good public relations by maintaining its quality of services for its customers and by participating in social causes.



Implications and Conclusion

Since Dongbu Insurance turned its main focus and implemented a marketing strategy based on customer value, the new strategy proved to be extremely beneficial for the firm as it enabled the company to overcome critical situations and raised opportunities for the firm to increase its corporate value as well. The present paper has revealed how Dongbu Insurance endeavoured to become the best company for customer satisfaction by implementing ethical management practices (Hwangbo, 2006).

The main success factors of adopting a customer-oriented marketing mix can be summed up as follows. First, Dongbu Insurance put in endless efforts for developing products and services based on customers' real opinions by considering customer satisfaction as its first priority. Dongbu Insurance utilized various devices such as idea contests, investigations using evaluation groups, and collecting opinion data to produce and develop insurance products. Moreover, most of its products and services are customer-centered and, therefore, these can always be improved to solve complaints and problems to decrease customer dissatisfaction. Second, the company made great efforts to raise the brand power and awareness of Promy brand. By using an integrated brand strategy, it became much easier for the customers to recognize and recall the firm's products (by having one representative brand instead of having several brands in a market where a tremendous number of brands exist). In addition, the Promy brand was able to convey its sustained trustful image through an advertisement that shows how fast Promy's service shows up whenever clients have automobile problems.

Third, Dongbu Insurance created well-established improvisatory customer feedback methods to resolve dissatisfaction. As the usage of the Internet and cellphones has increased significantly, online media (i.e. individual blogs) are able to interact with clients and promote intimate images naturally. Consequentially, these initiatives aid in the development of long-term relationships with clients and reduce promotion costs at the same time. Other insurance companies focused more on short-term events and performance as a part of CSR initiatives. However, Dongbu Insurance took part in diverse social contributions and long-term projects (with the CEO and other executives being involved) and even in greenhouse gas reduction movement since 2010. Thus, these activities transported a faithful transparent corporate image and good public relations of Dongbu Insurance to the customers. All these factors increased the trustworthiness of the firm as an insurance company and maximized the corporate value, thereby increasing the number of customers of Dongbu Insurance.

Limitations of the Study and Scope for Future Research

The first limitation of this study is that besides customer satisfaction, other important factors such as customer management, green marketing, and business ethics are not investigated. Therefore, an in-depth study into these various factors could supplement the data shown in this study with a wider perspective. Since business ethics are regarded as an important social issue, a study focused on corporate ethical facts would aid this research. Second, globalization of Dongbu Insurance was not addressed in this paper, even though Dongbu has increased its market share abroad. Thus, the impact of globalization and a comparative study between Dongbu's customer service and those of international competitors in the overseas markets can be potential topics for further research.

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