

FEATURES OF ADVERTISING ACTIVITIES OF INSURANCE COMPANIES AND ITS IMPACT ON THE ECONOMY

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Abstract

This article examines the aspect of the main features of the advertising activities of insurance companies from a theoretical point of view. A feature of insurance products that affects the presentation of advertising was considered, and the mistakes that insurance companies usually make when presenting their advertising campaign were also considered. The main types of advertising that are most often used to advertise insurance services were also considered.

Keywords Insurance products, insurance, advertising, errors, advertising campaigns, insurance services.

INTRODUCTION

For the work of financial organizations, first of all, high-quality advertising and the reputation itself are of great importance. For insurers, advertising is everything. Advertising in this case serves to convey the value of services to the consumer. Advertising not only provides an opportunity to tell and convey certain information to its customers, but also helps the insurance company to stand out from its competitors, as well as formulate associations associated with it. Success in the insurance market is, first of all, the ability to sell its service to a certain company. But you can't sell something that the consumer doesn't understand. Having seen a beautiful advertisement on a large tabloid, the consumer, of course, may remember this advertisement, but still not understand what exactly he is being offered to buy. That is why, due to incorrect use of advertising, many insurance companies fail to achieve success in the work they have done. Thanks to the development of the modern world, both advertising and insurance are developing.

Our needs increase every day, and we always want something new. That is why it is necessary to carefully and thoroughly build a marketing strategy and constantly improve it.

The key factor in the advertising activities of insurance organizations is the specifics of the insurance product. If we consider the Russian Federation and the laws of this country on insurance, then Article 957 of the Civil Code of the Russian Federation states: "The insurance contract, unless otherwise provided in it, comes into force at the time of payment of the insurance premium or its first installment. Insurance stipulated by the insurance contract applies to insured events that occurred after the entry into force of the insurance contract, unless the contract provides for a different start date for the insurance."

The client of the insurance company always pays for a service that he cannot touch or use. According to psychology, people always try to buy a product that they can touch or a service that

they can feel, rather than something for the future that may not be useful at all. By purchasing this or that insurance policy, we, as policyholders, acquire our financial security in the future only if this or that insured event happens to us. In this case, insurers, through advertising, must be able to explain the benefits of such purchases and tell all the nuances so that we, as policyholders, have no doubts that we are buying a “pig in a poke .”

No matter how good the advertising is, if the service or product does not correspond to the advertising, then most likely the new client will be disappointed in the purchase, and perhaps, and this happens in 47% of cases, will leave a negative review. Thus, commercial advertising will not bring profit to the company, but only loss. Based on this, we can come to the conclusion that insurance customer service is one of the main elements of satisfying insurance interests, its level affects the demand for insurance services, in other words, the higher the level of service a certain insurer has, the higher the demand for its insurance services. However, the higher the level of service, the higher the costs. Therefore, management always tries to find the optimal balance between the level of service and the economic factors associated with service.

The main reason why the use of advertising in the insurance industry is so important is:

1. Extension of old contracts;
2. Increase in the number of new conclusions.

In this regard, insurance companies are taking the following steps:

- Constantly shape the image of the country;
- Inform potential clients who are already insured about current types of insurance;
- Constantly provoke the desire of consumers to become more familiar with certain types of services provided by the insurance company .

The most common mistake insurers make is overconfidence, or, as they say, the belief that policyholders are just waiting for the moment to enjoy new types of insurance. In many cases this is not the case at all. Most often, the insurer has to prove, more than once and more than once, the benefits of a new type of insurance. When this circumstance is examined from all sides, and the insurer begins to make appropriate adjustments

to the organization of advertising and inform policyholders about the advantages of the types of insurance services offered, there is reason to expect that the ongoing campaign will be successful . As an example, we can consider a survey in the Russian Federation in 2023, in which a fairly large number of people took part. AlfaStrakhovanie insurance company held a fairly large event on the introduction of insurance against a broken heart. Results of this event, they showed that 87% of Russians would like to have this type of insurance, 10% of respondents believe that something must happen, and 3% answered that they are not looking for any relationship. Despite the large number of people who voted in favor, it is clear that this insurance campaign will not be able to bear any fruit .

Insurance organizations, however, like any commercial organizations, need high-quality advertising activities. It is important for potential policyholders that the insurance company is well known. The main tasks of the insurer's advertising service include familiarizing the audience with insurance services, introducing its audience to a specific insurance company, familiarizing the audience with insurance services, and changing consumer behavior.

It is important for insurance companies to convey to their potential clients the importance of insurance services. Namely, to show what can happen if you don't buy an insurance policy: the potential client thinks that by buying an insurance policy and investing a certain amount of money, he will lose it and “donate it to the company.” But if something happens to the policyholder, namely an insured event, it will entail a bunch of expenses and losses, all of these losses, in turn, can be covered by the insurance company under an insurance contract. Therefore, buying an insurance policy, in other words, your own insurance, is buying your own financial cushion and moral security in the future. This is exactly what the advertising activities of insurance companies should be based on.

To advertise their insurance services, the company providing its services uses various types of advertising.

Outdoor advertising is of great importance here.

This type of advertising uses a large-format advertising poster, which is placed on specialized stands. It usually provides information about the conditions of individual types of insurance, if necessary, provides an explanation of conditional examples, and also indicates the size of the tariffs. It is this type of billboards that attracts the attention of a fairly large number of potential customers.

The next technological way of using insurance company advertising is television. The main and main advantage of this method is that the viewer is influenced by 3 main factors: sound, movement and image.

And lastly, local advertising. These are advertisements placed where they may be of interest to the buyer. For example, a client may see an advertisement for CASCO in a car dealership, and a patient or doctor may see an advertisement for life and health insurance in a clinic or hospital.

Successful insurance companies must monitor development trends and develop scenarios for possible events, predict changes that may further affect the development of the company, and plan responses, increasing the role of strategic approaches. In simple words, they must think ahead and anticipate possible setbacks and failures. Moreover, these approaches in the context of globalization and crises must be able to be combined with continuous planning .

In the modern world, high-quality advertising activities can make an insurance company

competitive and make a great contribution to the development of the country's economy. Thus, insurance ensures the stability of economic development and plays the role of a stimulator of economic growth, accumulating savings in the form of insurance premiums and transferring them into investments, thereby increasing the efficiency of the entire financial system of the country. The lack of digitalization in the field has led to the fact that service coverage remains at an extremely low level. Despite the fact that some insurance services are mandatory, according to preliminary calculations, only 7.2% of employers, 8.6% of carriers, 1.8% of hazardous facilities and 9.2% of construction and installation works are insured.

Cases of unjustified refusal of insurance payments or failure to pay them on time reduce public confidence in insurance services.

For example, in 2022, insurance payments in the world amounted to: in the Netherlands - 93%, in Germany - 78%, in France - 76%, in Russia, Belarus and Armenia - 50%, in Uzbekistan in the field of general insurance only 24%, including life insurance 42%, which shows a low level of payments compared to other countries .

The following data is available on the scale of the global insurance services market (Table 1). It should be noted that Swiss Re analysts use country-by-country reporting data in their calculations without any adjustment to their composition.

Table 1.
The scale of the global insurance market
(General information on the collection of insurance premiums for 2010)

Regions and organizations	Total volume of collected insurance premiums (mln.US \$)	Change (%) adjusted for inflation	World market share (as%)	Volume of collected premiums (as % to GDP)	Insurance premiums per capita (US \$)
<i>America</i>	1 409 530	0,7	32,49	6,71	1 519,2
North America	1 281 664	0,0	29,54	7,90	3 724,4
Latin America and Caribbean	127 867	8,2	2,95	2,68	219,1

<i>Europe</i>	1 620 437	1,8	37,35	7,47	1 850,2
Western Europe	1 532 631	1,9	35,32	8,44	2 890,3
Central and Eastern Europe	87 806	-0,4	2,02	2,62	272,5
<i>Asia</i>	1 161 118	7,2	26,76	6,16	281,5
Japan and the newly industrialized countries of Asia	791 349	2,8	18,24	10,64	3 733,3
South and East Asia	336 448	18,8	7,75	3,66	93,9
Middle East and Central Asia	33 321	10,1	0,77	1,51	105,0
<i>Africa</i>	66 719	-1,1	1,54	3,86	64,7
<i>Oceania</i>	81 160	2,3	1,87	5,82	2 283,1
Total in the world	4 338 964	2,7	100,00	6,89	627,3
Industrialized countries	3 688 758	1,4	85,01	8,65	3 526,7
Developing markets	650 206	11,0	14,99	2,99	110,1
OECD	3 629 636	1,2	83,65	8,14	2 847,8
G7	2 843 371	0,7	65,53	8,76	3 775,2
Euro zone	1 069 855	3,1	24,66	8,15	3 005,2
EU, 27 countries	1 482 347	1,9	34,16	8,43	2 736,3
NAPTHA	1 300 859	0,0	29,98	7,54	2 859,7
ACEAH	57 169	9,3	1,32	2,97	103,6

Thus, the global insurance market is estimated at almost 1.5 trillion dollars. USA. The main share, 83.65%, is occupied by OECD member countries. If we consider by region, the absolute leader is Western Europe - 37.35% of the world market, and North America (where the USA certainly dominates) - 29.54%.

Overall, it can be confirmed that insurance has serious prospects for significant growth . At the same time, given the importance of insurance for the socio-economic development of the country, it is necessary to use existing world experience and search for new solutions.

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