

## **ABSTRACT**

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### **Consumer experiences of services in the insurance and banking sector**

The study examines insurance and banking services from the viewpoint of the service user. Among insurance services the study focuses, on one hand, on life and property insurance, representing personal insurance (hereinafter personal insurance), and, on the other hand, on the services and benefits offered by KELA, the Social Insurance Institution of Finland, representing social insurance (hereinafter KELA services). The examined banking services were those most commonly used by consumers. The theoretical framework of the study is that of consumer behaviour, and the interpretation is based on service characteristics, purchase and evaluation processes, and consumers' personal features. The study renders information on the requirements of service users, on their ways of adopting and using services, and on their experiences, conceptions and development wishes related to the use of services.

This study is a secondary analysis and utilises as its empirical material the theme interviews of the summary report "Families with children and ageing persons as service users", published earlier by the National Consumer Research Centre. The original research project covered altogether 12 different services, and the various groups of services were analysed at a general level only. Consequently, it is well grounded to conduct an in-depth investigation of each service group separately. The interviewees in the theme interviews include 16 representatives of families with children and 15 representatives of ageing consumers.

The empirical part of the study compares the experiences of families with children and those of ageing persons with respect to each of the three service groups separately. The results are dominated by three factors that influence consumer behaviour: the intangibility of the service, the availability of the service and the consumer's age. The intangibility of the services makes it difficult for consumers to evaluate a service that they seldom use and consider complicated. In such situations consumers prefer to rely on personal service. Service availability culminates in factors like flexibility, speed and location of service points. Consumers feel that queuing weakens the availability of a service, particularly in the case of banking services.

Ageing persons prefer personal services and some of them even oppose self-service. They justify their behaviour by their advanced age, attitudes,

weakened functional capacity and poor knowledge of the content of the service. Factors that affect the use of services by families with children include shortage of time and smoothness of the service. Families favour self-service (banking terminals and the Internet), especially in the case of frequently used and simple services. Moreover, they use the Internet to find information and to compare different alternatives.

In each of the three service groups, consumers typically appreciate the clerical personnel's expertise, human interaction and friendly behaviour, economical price, and smooth personal service without queuing. A comparison of the strengths and weaknesses of banking services shows that consumers value friendliness and familiarity of the clerical personnel, but criticise queuing and payable self-services. They appreciate insurance services and KELA services for not having to queue for them, but criticise KELA for unequal service quality and insurance services for their complexity. The most important targets for development include raising the number of clerical personnel and service points and lengthening the office hours of the services. Families with children desire more versatile Internet services in all three service groups.

**Keywords:** consumers, services, banking services, insurance, social services, customers