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**Article**

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## MARKETING | RESEARCH ARTICLE

# A collection of insurance brands: The story of RSA in Ireland

Richard Brophy<sup>1\*</sup>

**Abstract:** Many firms in financial services opt for corporate branding in order to unify their activities and leverage a strong brand across business units. While this may be the case, some financial service organisations retain the approach of using a collection of brands within the organisation. RSA has opted to retain its existing brands while gaining market share in Ireland. This paper studies the approach that RSA has taken in its brand architecture. Through a literature review of branding and rebranding, along with a historical study of the RSA Company going back to its foundation, the author attempts to chart the direction of the company alongside industry changes, such as product distribution and also the introduction of other stakeholders to the marketplace. Unlike its insurance peers, RSA is one of the few insurers that operates a portfolio of brands that operate in different markets within the industry. While the company is well known as a large insurer in Ireland, it retains its existing brands in a successful way through its product distribution

**Subjects:** Brand Management; Economics, Finance, Business & Industry; Marketing; Services Marketing

**Keywords:** rebrand; insurance; stakeholders; regulation; branding

## 1. Introduction

Papasolomou and Vrontis (2006) defined a service in the marketing context “as a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything”. However, in a market where there are many service

## ABOUT THE AUTHOR

A company director of an Irish insurance brokerage firm, Richard Brophy has an academic interest in the retailing of financial services, particularly aspects of marketing and regulation, and has written for various marketing and regulatory academic journals. Richard holds a Bachelor of Arts, Business Degree from the University of Glamorgan, a Masters of Business Studies degree from Dublin City University, a Graduateship award from the Irish Marketing Institute, a Qualified Financial Advisor diploma from the Life Insurance Association of Ireland, a Graduate Diploma in Financial Planning from University College Dublin, and the Certified Financial Planner™ designation. He is currently completing his doctorate with the University of South Wales, researching areas that affect the marketing of insurance.

## PUBLIC INTEREST STATEMENT

In today's environment, many corporate entities use branding as a way to distinguish between different markets and different locations. In the recent past, the study and use of brand architecture has become topical, especially with the banking crisis and some companies spinning off divisions and non-core businesses.

However, in financial services, there is a perceived norm that global branding is the preferred option, but one multinational insurance firm located in Ireland has opted for an alternative approach to manage its brand architecture, compared to its peers.

This paper attempts to establish the reasons why using a multi-brand approach can work as compared to using the monolithic branding employed by many financial conglomerates.

providers, branding is a name, term, sign, quality, symbol, design, reputation/word of mouth or a combination of these that identifies the maker or seller of a product or service and seeks to differentiate them from its competitors (Kotler & Keller, 2012). Within financial services, the contribution to branding often contains attributes of fostering trust, elements that bring up emotional ties and the alignment of the stakeholder experiences (Dawes-Farquhar & Robson, 2015).

Brands are much more than just a name or a logo. They represent values and promises, and attitudes and feelings about the brands and products. They are recognised as major assets, which may have taken years of investment to establish. The process of rebranding, or changing such an asset, should not be undertaken without careful planning and analysis (Daly & Moloney, 2004). Moreover, there are studies showing that brand values do not necessarily connect to customers (O'Loughlin & Szmigin, 2005) and customers are passive about losing old brands in financial services (Devlin & McKechnie, 2008).

The insurance industry has changed from various standpoints. Simplicity of insurance products (Devlin, 2008) and technology improving the quality of sales process (de Chernatony & Segal-Horn, 2003; Yang, Jun, & Peterson, 1997) are patterns that have revolutionised the industry. Improvements in technology and communications are also changing distribution channels, allowing underwriters to bypass traditional intermediaries, such as insurance brokers (Debling, 1998). In addition, new entrants, including strong brands in different industries, are entering the unfamiliar market of insurance (Jo Hatch & Schultz, 2003). Unlike other markets, the Irish insurance industry is dominated by foreign players which have replaced the local and foreign underwriting names that once dominated the marketplace (AGF bid may add to Irish insurance shake up, 1997).

While rebranding is considered a conventional process for a company that has been taken over or merged in the financial services sector, as demonstrated by AXA, Aviva, Allianz and Zurich, one insurer with a significant operation in Ireland has gone down a different route for its brand architecture. This company, which has engaged in the acquisition of established insurers, has not completely followed the convention set by its corporate insurance peers, i.e. a corporate rebrand of acquired companies, and has retained some of the original brands. This paper examines the motives for the RSA Insurance Group (RSA) in Ireland opting to retain the brands of some of the companies that it has taken over. In order to perform this task, this paper uses a literature review of branding and rebranding papers applicable to the insurance industry, reviews the history of RSA itself and also the environment in which it operates in terms of the distribution channels (traditional and emerging), alongside other factors incipient for insurance companies operating in Ireland. Using this process, the aim is to establish what branding has an effect in the insurance industry and to illustrate the brand relationship between the company and policyholder through the different distribution channels. Where there is little academic literature written about insurance and the marketing of insurance in general and further study needs to be carried out (Robson & Sekhon, 2011), this paper attempts to address brand architecture application to the insurance industry.

## **2. Branding and rebranding in the financial services environment**

### **2.1. Brand attributes**

"Creating a coherent perception of a company in the minds of its various stakeholders is a major challenge faced by many companies, especially for large multinationals or companies with extensive merger and acquisition activities, where there are multiple brands and cultures involved" (Einwiller & Will, 2002). In examining the components of the brand, de Chernatony and Dall'Omo Riley (1998) developed a model encompassing the internal and external attributes of the brand, where internal attributes include vision, mission, values, corporate cultural heritage, naming policy, functional capacity and personality, and external attributes include confidence, rational performance and emotional attributes. Both internal and external attributes are developed over time and experience and their connection is governed by consumer perceptions and relationships (Brophy, 2011).

Although insurance and branding techniques are not commonly associated with each other, insurance companies have used a type of branding in the form of “firemarks”, which were signs attached to buildings to show that a building was covered by an insurance company and was entitled to have assistance from the fire brigade of that insurance company (Johnson, 1972). While some service brand entities are using branding techniques found in the fast moving consumer goods market, service brand marketing has significant differences and needs when it comes to marketing the service brand itself (McDonald, de Chernatony, & Harris, 2001). In this environment, and looking at this externally, service branding, unlike product branding, is more about internal consistency, places more emphasis on managing the total service brand experience and is more about social processes. Berry (2000) emphasised that service companies build strong brands through branding distinctiveness and consistent messaging through performing their core services well, reaching customers emotionally, and associating their brands with trust. Looking at this internally, where the stakeholders are employees, and existing clients (policyholders, intermediaries, corporate entities selling on their behalf), the internal arrangements of organisational structure, physical design and culture must be tackled (Jo Hatch & Schultz, 2003), and management and staff must buy in to the brand (Merrilees & Miller, 2008). However, in creating brand values, consistency of service appears to be paramount. O’Loughlin and Szmigin (2005) conducted a study of customer perspectives on the branding of financial services and found that complex emotive messages and emotional brand values projected by financial suppliers to connect and engage with customers do not appear to be necessary or welcomed.

In a multinational environment where there are multiple brands making up the corporation, a brand architecture is needed to coordinate the activities of the corporation. In defining brand architecture, Aaker and Joachimsthaler (2000) state that it is an organising structure of the brand portfolio that specifies brand roles and the nature of relationships between brands. Otherwise known as a brand portfolio strategy, it establishes how to optimise and leverage an organisation’s brand portfolio (Aaker, 2004). Aaker and Joachimsthaler (2000) illustrated two different types of brand architecture: (1) house of brands and (2) branded house. Although these two models of brand architecture are distinct, most companies do not adhere strictly to one or the other, but follow some kind of hybrid. For example, HSBC retains the online brand of First Direct but rebranded Midland Bank to its parent company (Lambkin & Muzellec, 2008). There are different types of branding that can be employed by a corporation. Lambkin and Muzellec (2008) defined these as: (1) Corporate Brand, (2) Strategic Business Unit Brand and (3) Product/Service Brand. Devlin and McKechnie (2008) introduced the brand spectrum, which includes (1) Corporate Brand, (2) Strong Company Endorsement, (3) Weak Company Endorsement and (4) Individual Product Brand. Returning to the two types of brand architecture, an example of a house of brands would be a foreign parent company owning a strong local brand, such as AIB in the Republic of Ireland owning First Trust Bank in Northern Ireland and retaining the brands because of political sensitivity (Lambkin & Muzellec, 2008). A branded house would be a company like Virgin which has extended the Virgin brand across business activities such as banking, insurance and other industries not necessarily related to finance, including airlines, music publishing and so on (Jo Hatch & Schultz, 2003).

## 2.2. Rebranding

Rebranding as a concept is familiar to most consumers and is also extensively written about from various standpoints. Factors that spark off a rebranding exercise often arise from: (1) ownership changes, (2) changes in corporate strategy, (3) changes in competitive position and (4) changes in external environment (Muzellec, Doogan, & Lambkin, 2003). Although rebranding may be necessary for a corporation, it is not something that should be embarked upon lightly. There are plenty of examples where rebranding has not worked. Rebranding Windscale Nuclear Plant to Sellafield could not cover up the fact that nothing changed about nuclear waste processing or past incidents (Haig, 2005). Royal Mail was rebranded as Consignia and later changed back to Royal Mail (Devlin & McKechnie, 2008). The rebrand of the Irish state-owned telephone company to Eircom did herald a new beginning for the privatised company, but its infrastructure and a mixed roll out of broadband has damaged the brand (Hearne, 2012). Rebranding could signal a repositioning of activity. The

resources employed may not be enough to promote the company out of a problem, as when BP tried to reposition the brand as green, but could not undo the damage done by the Gulf of Mexico oil spill (Johar, Birk, & Enwiller, 2010).

Even so, some rebrands can be successful. The rebrand of the first Irish mobile phone provider (owned by the state telephone company with image problems) to Vodafone involved localising a global brand into the Irish market. This was successful because using the Irish language for its global brand anthem and sponsoring local sporting events played better than introducing an English brand into Ireland, which may have been seen negatively by the market (Muzellec & Lambkin, 2006). Looking at an example of financial services, Hibernian rebranding to Aviva was a carefully staged rebrand that took a long time. Replacing a long established brand like Hibernian was not a simple task. The Hibernian brand is over 100 years old, and dates back to 1908, before the foundation of the Irish State in 1922 (Mulhern, 2008). The promotional activity introduced the corporate Aviva brand locally alongside the Hibernian brand, and eventually the corporate brand replaced the local brand (Brophy, 2011). This was reinforced with the sponsorship of the redeveloped Lansdowne Road Stadium, home of Irish rugby and soccer internationals, which became the Aviva Stadium.

### 3. The historical background to RSA

Many insurance undertakings forming the current RSA Company can be traced back to the 18th century. Pike (1990) outlined that the London Assurance Company was founded in 1720 and established operations in Ireland a year later. Alongside London Assurance, the Sun Insurance Company was established in 1710, making it one of the oldest independent insurance companies in the world. With London and the Sun Insurance companies, the Alliance Assurance Company (1824) and the Phoenix Assurance Company (1781) make up the Sun Alliance Insurance Group. The Royal Insurance began operations in Ireland by way of appointing agents of the British company in Dublin and Cork in the 1800s, subsequently opening a branch operation in Dublin in 1856 (Pike, 1990).

In 1996, the Sun Alliance Insurance Group and Royal Insurance merged to form the Royal & Sun Alliance Insurance Group. This became a public limited company (PLC) with shares traded on the UK Stock Exchange. In Ireland, it became a leading insurer with two well-established brands, becoming a significant player in the non-life insurance sector. Royal & Sun Alliance grew substantially at the end of the 1990s when it took over the Irish interest of the Dutch insurer AMEV from Fortis. At a time when many takeovers were taking place globally, Fortis decided to divest itself of operations that were not key to its objectives, and which were seen as either peripheral to its core activities, or had no potential to become significant players. The takeover of AMEV in Ireland placed Royal & Sun Alliance in a stronger position in the Irish market place. A legacy of the Royal and Sun Alliance companies was the life assurance operation, which were in operation before the merger. Royal & Sun Alliance eventually divested itself of this business, making the company truly engaged in non-life insurance cover, motor, property, marine risks, engineering and various liability risks.

### 4. The Irish insurance industry

#### 4.1. Industry and environmental synopsis

Ireland, previously part of the United Kingdom (UK), always had British companies operating in the Irish market. A predecessor of RSA wrote non-life insurance products as far back as 1721 (RSA Group, 2015). Examples of British insurers which traded in Ireland are Norwich Union, Cornhill, Royal, London & Sun Alliance, and Guardian Royal Exchange. Many of these insurers established local operations in Ireland, such as Norwich Union, which established an Irish board (Aviva, 2013). In addition to this, before the foundation of the Irish Free State in 1922, there was the creation of Irish insurers. As referred to earlier, Hibernian Insurance was founded in 1908 and the brand developed and was retained until recently (Mulhern, 2008). After the foundation of the Irish Free State, the Department of Industry and Commerce issued insurance licences, and many Irish insurers appeared over time and co-existed with the British insurers.

Insurance as a financial service is perhaps one significant area that brought insuring firms into the commercial arena. Where once it was a service to provide cover by way of members paying into a fund, we now see insurance organisations becoming more like financial institutions and moving from being mutual societies owned by their membership to commercial entities with stakeholders made up of clients, shareholders and employees (Pru follows the trend, 1998). Leadbetter and Christie (1999) have observed a gradual decline in mutual companies, which have demutualised into commercial organisations, mainly because of market limitations or other commercial reasons. A well-known example of this is Norwich Union which was a mutual society that became a PLC.

Mergers and acquisitions are not unusual events in financial services and insurance and have often taken place at various stages. However in the mid to late 1990s, many well-known insurance brands competed against each other and then merged. Canniffe (1998) emphasised that international merger and takeover moves outside Ireland changed the line-up in the domestic market. Pike (1990) identified the majority of non-life insurers with some kind of foreign ownership by way of part ownership, being a subsidiary of a UK or international company or majority shareholding of an Irish operation. Canniffe (2001) drew on an industry source to conclude that the 17 insurers operating in 1993 have merged into five major conglomerates, and the three Lloyds syndicates that served the Irish market have merged into one syndicate. The Irish insurance market, by way of the ownership of its local insurers, is exposed to international trends that have seen many companies join together. These trends are the main drivers for corporate cultural change and thus an unavoidable rebranding.

Alongside international mergers, regulation has also changed in the Irish market. The Central Bank of Ireland is the financial regulator and has multiple roles in the insurance industry that have an impact across the business functions of an underwriter and intermediary. Previously regulated by the Department of Industry and Commerce, regulatory power was delegated to an independent body that is part of the Central Bank of Ireland. Solvency and prudential supervision is an important part of an underwriter's activity and the financial regulator defines the capital adequacy requirements for operating in the Irish and European Union markets. This applies to underwriting companies which offer insurance products. Where previously regulation concerned the solvency of insurers, all entities involved in selling insurance have to be regulated by the financial regulator, and these include tied agents, insurance brokers, intermediaries and underwriting companies selling insurance to the public directly. Regulation now entails various processes involving providing advice, giving recommendations and selling insurance.

The move towards a single European market after 1992 set in train many directives governing home jurisdiction of regulation, and allowing cross-border trade and mutual recognition of European Union regulated firms operating outside the regulated jurisdiction for all financial services (Hughes, 1994). An important factor to acknowledge is the impact of financial regulation on the Irish marketplace and the European Union internal market. The current requirement is for all regulated insurance companies in the marketplace to be a regulated entity (underwriting companies and intermediaries) and they must have a regulatory statement on all outbound communications and marketing material outlining the company selling the cover.

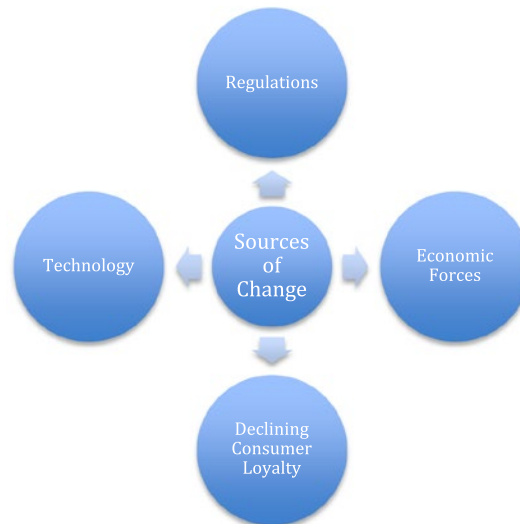
The Single European Market also applies to insurance products and services, and barriers to entry have been reduced through passporting arrangements. Through passporting, a regulated intermediary in the UK should have no problem accessing the Irish market, providing its own home regulatory authority regulates them. An example of this in action in the Irish market is the whole concept of brand extension into financial services, where we see Tesco in Ireland providing insurance products through its supermarkets, regulated as a financial institution and intermediary in the UK and using RSA as the product provider for Ireland (Tesco, 2013). Arrangements of brand extensions and product providers must be acknowledged in marketing material, showing the ultimate product provider.

An underwriter can operate across borders, and in the Irish market many Irish regulated entities provide products abroad while other entities, outside European Union regulation, provide products



**Figure 1. Sources of change in financial service markets.**

Source: Adapted from Estelami, 2007.



for an Irish market (Central Bank of Ireland, 2013, Retrieved August 21, 2013, from Central Bank of Ireland <http://www.centralbank.ie/regulation/industry-sectors/insurance-companies/non-life-insurance-companies/pages/requirements-guidance.aspx>). An example of this in action is Setanta Insurance Services, a Maltese regulated underwriter providing motor insurance products to Irish insurance brokers (New company sells commercial motor insurance via brokers, 2008). Although some harmonisation of legally required insurance products, regulation and mutual recognition of regulated entities has taken place through European Directives, the process has highlighted a lack of integration in the insurance industry and the need for urgent changes to the supervisory reporting requirements under the Insurance Groups and Financial Conglomerates Directive (McKee, 2006).

Another technological development in this arena is the emergence of internet virtual communities where the public and the product provider can use the medium for information sharing. Barnatt (1998) suggests that these virtual communities may have the potential to become the key customer-infomediaries, social fora and trading arenas. However, delivery and long-term customer relationships are critical for success. In Ireland, one independent online forum for financial services, called Askaboutmoney.com, does contain content drafted by the public and moderators regarding insurance products (Brophy, 2013b). Bringing this into the current context of social media, the dynamic role of stakeholders alters significantly, insofar as the focal brand is experienced. Connections are through social and traditional media and they all have perceptions of the reputation of the focal firm; equally social media creates the potential for stimulating and memorable brand experiences, provided the interactions are meaningful (Dawes-Farquhar & Robson, 2015). If one was to establish the sources of change in the financial services market in general and summarising the important factors, Estelami (2007) states that Economic Forces, Declining Customer Loyalty, Technology, and Regulation account for most of the changes that the industry has witnessed in recent years and is likely to experience in the near future (see Figure 1).

#### 4.2. Distribution channels

Insurance products have traditionally been, and are still today, sold through intermediaries, commonly known as insurance brokers. The duties of an insurance broker are to look at and arrange the most suitable cover for the risk presented and assist in claims notification to the underwriter (Virgo & Ryley, 2004). In the past, many of the larger underwriters developed direct channels by developing their own branch networks, such as PMPA, or employing agents to represent them and sell their products. Technological changes have allowed insurance companies to develop their own channels using new interfaces such as telephone call centres and, more recently, the internet.

One such high profile company is Direct Line in the UK, a highly successful example of a new entrant that has charted a new distribution channel focused on low operational costs and a highly cost-effective approach. Also known as Direct Marketing Insurance Companies, this operation is based on massive advertising, using television and the press to persuade potential customers to telephone to obtain a competitive insurance quote (Westall, 1997). This has made it possible for them to introduce new pricing structures to the market, offering excellent levels of service based on convenience, speed and value compared with traditional channels of insurance brokers (Palmer & Lucas, 1994).

Irish websites have been categorised as ornamental, informational and relational, and the internet offers a unique opportunity for marketers to build up and maintain relationships with their clients (Geiger & Martin, 1999). The internet and the potential of e-commerce have been highlighted by Atkinson (2001), who described the removal of the intermediary from insurance and financial services products as “disintermediation”. Li and Holeckova (2005) stress, in a study of UK insurance websites, that websites are utilised as a tool for shopping around for quotes but most consumers make their final purchase over the telephone.

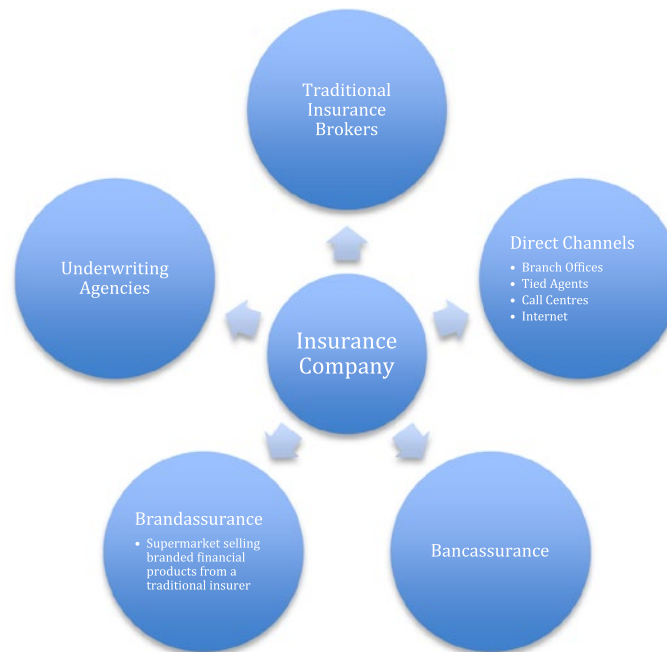
Focusing on online brands, a study by Vinhas Da Silva and Faridah Syed Alwi (2008) found that factors such as ease of use, personalisation, security and customer care are significant in determining a positive or negative corporate brand image of the online seller, and that brand image reinforces success in the off-line context of consistency and customer care. As some insurance products move from a complex contract to a commodity-based service, direct writing in the UK has gained considerable market share in a very short period, as personal lines products (i.e. car and home insurance) are targeted to a price-conscious consumer for whom cost is generally the deciding factor (King, Smallman, & van Weegen, 1997).

The banking sector was, and is, involved in selling personal lines insurance through various means, such as strategic alliances, co-ownership and other means. Hughes (1994) labels the bank retailing of insurance as “Bancassurance” where it brings together the sophisticated selling skills of insurance operators and the stronger customer orientation and loyalty of the banks, resulting in highly profitable, cost-effective cross-selling of insurance products. The Bancassurance model is a form of corporate restructuring that emerged in the 1980s as a result of the evolving financial landscape that was produced by changing regulatory and competitive environments (Artikis, Mutenga, & Staikouras, 2008). Newman, Cowling, and Leigh (1998) identified that technology and a combination of computers, telephony and dedicated call centres working together has revolutionised sales of car insurance for a branch-based bank. In Ireland at the present moment we have a number of Bancassurance initiatives. Bancassurance operations can come in different forms from various distribution strategies to joint ventures and mergers allowing banks to access insurance products (Okeahalam, 2008). The most successful Bancassurance operations in Ireland tend to be bank-branded insurance products from traditional underwriters (Brophy, 2013a).

The concept of “Brandassurance” is something that has evolved recently, where brands have become powerful communicators. Insurance companies always promoted their products and always made the purchaser aware where they were getting their cover. White-labelling, where the product comes from an insurer but carries a brand name, some insurance products have become popular. The UK has seen major grocery retailers pursuing a policy of brand extension into non-traditional service areas through tie ups with a range of financial institutions providing an array of financial services, including insurance products that carry the grocery brand (Burt, 2000). Known as “Brandassurers”, they operate with massive market appeal, better brand reputation, goodwill and a consumer reach that financial services companies find it impossible to match. In turn, customers turn to them mostly because they believe in the brand values of the retailer, so they feel they will provide a reliable product at a cheaper price with the added advantage of convenience (Grice, Ouarbya, Rodriguez-Piza, &



**Figure 2. Distribution channels for insurance companies in Ireland.**



Temple, 2008). Although technology allows insurers to sell directly, products of a complicated nature may require sales agents to assist the consumer in the purchasing process (Arnold, Wheeler, Abernathy, & Bates, 1999).

With the regulatory system in Ireland, a unique form of intermediary has appeared in the market. While regulated as an intermediary, underwriting agencies act like an insurance company where they develop the products, distribute the products and handle claims. The cover holder of the product tends to be a well-established insurer whose name appears on all policy documentation. There are many distinct advantages to this procedure, as the underwriting agency does not have to comply with having the solvency reserves required by the regulator (the Central Bank of Ireland) and the cover holder can gain access to a market where they do not have to invest resources setting up an insurance company in a new market. There are many underwriting agencies that operate in Ireland, including Wrightway Underwriting, which is owned by Zurich and uses Zurich and other underwriting partners, and ARB Underwriting, which uses Lloyds syndicates for its products. The following chart outlines the distribution channels that have developed in Ireland (Figure 2).

### 5. The growth of RSA in Ireland

With the rebranded combined operations of Royal & Sun Alliance, in the mid-1990s, the company looked towards increasing its operations in Ireland from various angles. Its first purchase was of a Galway-based insurer called Europa General Insurance Company in 2007. Europa General was a specialist underwriting provider that provided motor and liability products for the intermediary market. For its motor products, it sold car and van insurance, taxi insurance and motor fleet cover. For liability products, it specialised in covering allied trades, public and employer liability (i.e. building, carpenters, bricklaying contractors). The purchase of Europa General by RSA signalled further changes in the structure of the Irish market as RSA domiciled its operations in Ireland through Europa General where previously it was a UK insurer with Irish operations.

In April 2008, RSA purchased another company, Sertus Underwriting. Sertus was founded by former executives of Europa General Insurance in 2003 and developed a private motor product for distribution amongst insurance brokers. Later, it developed a household product that was also sold by insurance brokers. Unlike Europa General, Sertus was formed as an underwriting agency and was

regulated in Ireland as a multi-agency intermediary. Behind the product, Sertus did use an underwriter, the International Insurance Company of Hannover, to provide the financial capital support and act as cover holder for the insurance policies sold by Sertus. Upon its establishment, Sertus targeted specific markets for its products, namely the safer risks of older drivers and low performance cars, and it added more features to its product compared to its peers in the industry, such as motorist legal protection cover, where it quickly gained a significant market share through its strategy and maintained a low claims risk profile.

As well as Europa General and Sertus, RSA purchased Benchmark Underwriting, another underwriting agency similar to Sertus. Benchmark specialised in household liability products for small and medium enterprises and also professional indemnity cover for some professions, using insurance brokers as its only distribution channel. The distribution of these products was through an online system that allowed for efficient distribution, which only needed a small number of underwriting staff to manage the policies.

In a move that surprised the insurance industry and also marked a further change of strategy for RSA, it purchased the online insurer 123.ie in 2010. While 123.ie was a branded intermediary that was one of the first Irish online insurance operations, it only used specific insurers for its products, unlike an insurance broker, which might have at least five underwriters. It had a sizeable number of policyholders built up from the relationship-based website and also from significant promotional activity in the press and mass media (radio and television advertising). The purchase also marked a change for RSA in terms of its distribution strategy in Ireland, where it was one of the last broker only companies, distributing its products via intermediaries. RSA entered the retail market itself through the purchase of 123.ie. More recently, RSA purchased the personal lines business of AONinsure.ie, which it is anticipated will be integrated into the operations of 123.ie and build upon its 16% market share in Ireland (RSA firms up position in Irish market with acquisition of Aoninsure.ie, 2013). RSA's change of distribution strategy, using branded entities to operate directly, follows a trend established in the UK where it operates the More Than brand as a direct insurer for personal lines products sold via the web and call centre operations. Figure 3 illustrates how these acquired companies feature in the distribution channels open to RSA.

While Europa General ceased to exist and was replaced by RSA branding and underwriting procedures, Sertus, Benchmark and 123.ie had their underwriters replaced by RSA, and policies issued by the underwriting agencies became RSA issued policies. In addition, RSA in Ireland engages in the

**Figure 3. RSA acquired companies and the distribution channels established in the Irish market.**



distribution of its products via alternative intermediary channels. RSA has Bancassurance arrangements with Bank of Ireland, where it underwrites Bank of Ireland home insurance policies, and the bank brand is featured. However, the product remains an RSA product. RSA also engaged in Brandassurance initiatives with Tesco Financial Services where, like Bancassurance, it provides branded car and home insurance products for Tesco in Ireland. Presently, Tesco have withdrawn the sales of general insurance products from Ireland. In addition, RSA also provides personal lines insurance solutions for some employment sectors via a specialised intermediary dedicated to that activity (teachers and nurses).

## 6. Building the brand, then rebranding

The operations of RSA in Ireland across traditional broker markets, direct operations, and the alternative channels of Bancassurance and Brandassurance operations, have made them a significant player in the Irish financial services industry. With many employees brought into RSA from the Royal, Sun Alliance, AMEV and subsequently Europa General, Sertus, Benchmark and the 123.ie direct customer operation, with two major bases in Dublin and Galway, RSA became a significant insurer amongst the large players of Aviva, AXA and Zurich, with 16.5% of the Irish non-life insurance market.

In reorganising the global brand, the Royal & Sun Alliance corporate brand disappeared to become RSA. In this rebrand exercise, where the remnants of the Royal, Sun Alliance and Europa General disappeared, some of the business units remained the same, as stated earlier. As a corporate brand in Ireland, RSA was never heavily promoted on television or radio. However, RSA does engage in sponsorship activities. RSA was the major sponsor of Irish cricket at a time when the game gained massive exposure when the Irish cricket team beat the Pakistan and England cricket teams. RSA is engaged in community and charity activity including Special Olympics Ireland, where it is involved in various events associated with the organisation.

Promotional activity is defined by Aaker and Joachimsthaler (1997) as being between “above the line” marketing involving mass media and “below the line” marketing using alternative approaches such as sponsorship, promoting social causes, using theme parks or cultural events. Promotional activity is important at a time where costs, market fragmentation and new media channels that allow customers to bypass advertisements seem to be undermining the old ways of marketing. While the corporate brand maintains a presence as a corporate entity, a PLC share traded company, RSA has focused on promoting 123.ie to maintain the brand to consumers for insurance products. 123.ie is often promoted by the “above the line” mass media outlets of radio, television and press advertising, where its low prices are often promoted as the unique selling point. Despite this, RSA Ireland does not engage in the same form of advertising for RSA itself or its underwriting agencies Sertus and Benchmark. RSA, as a corporate brand, is well promoted in the insurance industry using “below the line” techniques in the form of product training for brokers that includes required Continuous Professional Development credits, advertising in trade magazines and through its broker network.

## 7. Discussion and conclusion

Branding in the financial services sector has many issues. Some products, such as insurance policies, investments and pensions, are often complex and infrequently purchased, and other products are commoditised and difficult to differentiate, such as motor and home insurance. Customers will use price, brand and other sources of information to assist them in evaluating the purchase and its consumption (Dawes-Farquhar & Robson, 2015). Against the backdrop of the changing environment of financial services, as summarised by Estelami (2007) to Economic Forces, Declining Customer Loyalty, Technology and Regulation, branding has an important role to play for an insurance company. However, while branding is important, tailoring it to its specific distribution is equally important, if not essential. As shown above, brands can have a disconnect with the audience. In the insurance sector, very few brands have managed to differentiate themselves from their competitors (McDonald et al., 2001). In the financial services sector, corporate brands often predominate (Denby-Jones, 1995). There are obvious arguments that using the corporate brand in financial services can

achieve economies of scale (Hagendorff, Collins, & Keasey, 2007), use established and stored-up goodwill (Bennett & Gabriel, 2001) and become part of a strong organisation (Kay, 2006; McDonald et al., 2001). However, the recent financial crisis has affected the largest of financial service organisations in Ireland, as elsewhere in Europe (Goddard, Molyneux, & Wilson, 2009).

Rebranding in the Irish financial services industry is not an unusual phenomenon, and reflects the usual practice around the world when mergers and acquisitions take place. The Irish financial services industry has undergone many changes, where the consolidation of insurance companies and, more recently, the banking crisis, has caused the disappearance of some well-established financial brands; rebranding activity is generally accepted as par for the course. The majority of insurers rebranded in the 1990s, after the global consolidation and acquisitions of brands united businesses that would previously have competed against each other. For RSA, where the Royal and Sun Alliance brands form RSA, the corporate rebrand as a leading non-life insurer is well established in Ireland, as it is in the rest of the world.

Previous rebrands of insurers in Ireland include GRE and PMPA rebranding to AXA, where the new brand spanned the established branded channels of GRE, which dealt with intermediary business, and PMPA, which was a direct channel business. The Irish insurance brands of Church & General and the Insurance Corporation of Ireland (ICI), which were owned jointly by the French insurer AGF, and Irish Life Assurance Company were taken over by Allianz and merged with the Irish operations of Cornhill under the one brand name of Allianz. A direct insurance operation of ICI, called First Call Direct, took on the name Allianz Direct to strengthen the Allianz brand in Ireland. Eagle Star, a well-known brand in Ireland, which was taken over by Zurich, also faced a major rebrand of its operations to Zurich in Ireland. A significant change in an insurance brand was the change of Hibernian to Aviva. The parent company Aviva had initially kept the Hibernian name when Norwich Union, General Accident and Hibernian companies came under the Hibernian brand for the Irish market. Later the Aviva name replaced a uniquely Irish brand, a variation of the Latin name for Ireland, which had endured for over 100 years. The rebrand of Hibernian to Aviva also coincided with the loss of the Norwich Union brand in the UK to Aviva, which was a corporate brand makeover of all its entities worldwide.

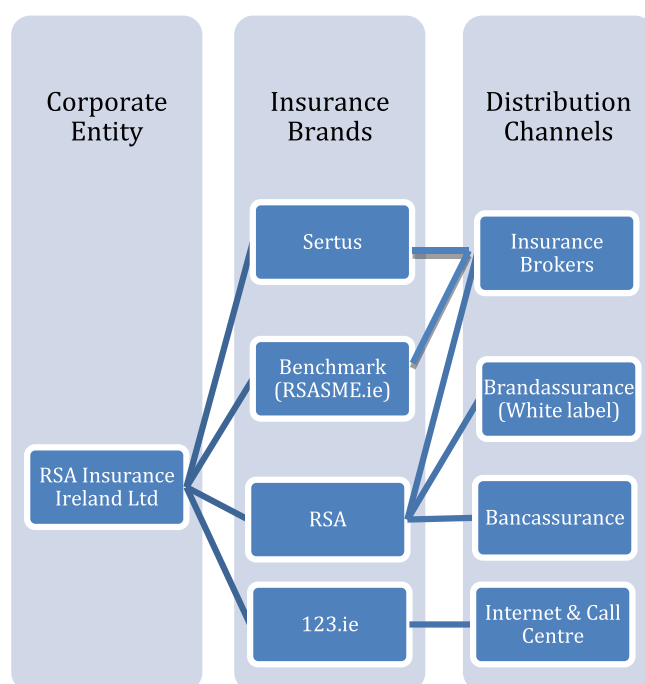
Returning to RSA, it appears that the company is one of the few insurers in Ireland to retain existing brands. RSA does this for various reasons. RSA is the corporate brand for the insurer whose name appears on all regulatory statements as required by the financial regulator and is the company that pays out claims. Where RSA appears to the public generally through regulatory required material, it also appears through its corporate responsibility initiatives and previous sponsorship of Irish cricket. RSA also appears to the intermediary which retails its products to its clients. RSA owns 123.ie and the RSA name is carried on regulatory statements used in the mass media to promote this brand to the public and to maintain a different product offering. Sertus Underwriting is maintained separately as a brand for various reasons. Being an intermediary only product, sold through traditional insurance brokers, the motor product has different levels of cover, distinct from the RSA broker and 123.ie motor products. Similarly, Benchmark deals with household and SME products, which are distributed through traditional brokers on an online platform that is not linked to the commercial business that was distributed through underwriting teams in RSA. However, for some complex risks such as large-scale liability and engineering risks, underwriting teams are needed to calculate premiums and service the business underwritten.

With its established distribution channels, the brand architecture of RSA in Ireland has not followed the norm established by Allianz, Aviva, AXA and Zurich in the recent past, and has retained the brands that are involved in broker channels. It is clear from the RSA approach that insurance sold through an intermediary, such as an insurance broker, is less sensitive to branding compared with the heavily promoted brand of 123.ie which is a direct marketing insurance company similar to Direct Line and More Than in the UK. For its Brandassurance activities and Bancassurance arrangements, it is for the brands such as Tesco and Bank of Ireland to promote the insurance product as

they see fit through their promotional mix of activities. This may give support to the idea presented by Devlin and McKechnie (2008) that consumers do not generally consider themselves to have meaningful relationships with financial services brands and appear quite relaxed at the prospect of losing certain brands, provided the change does not occur too often and there is clarity and consistency in an organisation's branding strategy. While the broker advises the customer on different products for which it is an agent, the clientele of 123.ie would have actively purchased a policy online or through the call centre in response to advertising of the (allegedly) lowest quoted prices. The acquisition of AonInsure.ie and its merging into 123.ie reinforces the 123.ie brand as the main direct channel for RSA.

Devlin and McKechnie (2008) posed the question of the need for complex brand architectures, and concluded that the argument that separate distinct brands are needed to signal distinctive competencies to the marketplace is also largely spurious, and that financial services organisations could rationalise their brand architecture and reduce costs significantly without detrimentally affecting the attitudes and behaviour of their consumers. Notwithstanding this, RSA continues to maintain a house of insurance brands, for the moment maintaining brand differentiation by way of different distribution channels and cover levels. Alongside this, as insurance products can be white-labelled, there is a new form of brand architecture that needs to be highlighted, that is, brand extension. In the case of an entity entering an unfamiliar market (such as a supermarket entering financial services), established brands in their own right are coming together either directly or indirectly. From the direct point of view, regulatory requirements require the cover provider to state who they are and their regulatory standing. Indirectly, the dominant brand (the supermarket brand) features across all marketing collateral and market channels such as advertising, promotion and social media. As stated earlier, where branding can be a name, term, sign, quality, symbol, design, reputation/word of mouth or a combination of these that identifies the maker or seller of a service and seeks to differentiate them from competitors, the more factors to consider increases the risk of future problems, especially when two or more organisations come together to sell insurance through brand extensions. The corporate branding of a financial product from a grocery retailer must be strong and well-recognised if the product is to gain benefit from being associated with it, along with the image and name playing an important role in consumer risk perception and brand trust (Laforet, 2007).

**Figure 4. Brand architecture and distribution channels of RSA Insurance Ireland Limited.**





Despite this, whether service brands are united as a house of brands or a branded house, de Chernatony and Segal-Horn (2003) state that the criteria for a successful service brand are focused position, consistency and brand values. This can be clearly seen with RSA, Sertus, Benchmark and 123.ie, where the distribution channels are focused for the brand, consistency is maintained in retaining the brand, and the brand values are maintained through its distribution channel and consistent messages (Figure 4).

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