

Research on Customer Satisfaction and Loyalty from the Use of Digital Channels for Purchasing Insurance Products in Bulgaria

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Abstract

The innovative high-tech solutions, implemented in the processes of insurance companies, enhance efficiency and their impact and return on investment are more easily measurable and assessable. However, considering the specific nature of insurance services and a customer-centric approach, particular attention should also be paid to the perceived benefits and customer satisfaction with the use of digital channels for purchasing insurance. Customer loyalty becomes a potential source of market and financial prosperity, due to the significance for an insurance company to maintain long-term relationships and effectively manage a large customer base. Customer loyalty towards the brand in the insurance sector inspires a considerable interest among managers and justifies research through the lens of the digital transformation of sales.

Keywords: insurance, digital channels, customer satisfaction, customer loyalty

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Introduction

The digital change is one of the most important determinants of economic development nowadays. The digital transformation undoubtedly presents a challenge, but similarly reveals new possibilities for development, facing the insurance companies. The digitization of sales in insurance requires large-scale financial investments. The quantitative assessment of effect and the efficiency of the implementation of innovative technologies require the use of new economic tools, indicators and models for analysis. The customer-centric approach is at the root of the insurers' strategy to achieve and retain leadership in a dynamically changing and uncertain environment. Taking this and the specifics of the insurance service into account, a number of essential questions that specifically examine the potential of digital innovations to influence customer loyalty remain comparatively unexplained.

1. Thesis statement and literature review

For years, the Internet and the connected with it progress of information technology, have influence over the insurance industry and in conjunction with another important trends, such as globalization and the regulatory reform, are reorienting some of its activities in an online business environment (Garven, 2002). At the same time, early predictions about the rapid transformation of digital distribution and sales channels into widely preferred by consumers of insurance products didn't come true (Dumm & Hoyt, 2003). These circumstances serve as the basis of forthcoming changes in the insurance business, which will lead to an increase in competitiveness, affordability and availability of insurance products that are economically attractive and adapted to the new risks (cyber risks, an identity theft in online purchases, a reputation damage on the Internet, etc.). The digitalization initiatives in one organization should be driven by an appropriate innovation culture and should be simultaneously combined with a new customer-centric strategy to be successful (Vachkov, at al., 2016, p. 90). Through its redistributive role, the digital connectivity "gives very large power in business transactions to the consumers, and on the other hand, affords the opportunities to the companies to develop thanks to the vast amount of information" (Danchev, 2018, p. 71), which requires digital innovations to be perceived as a peculiar kind of investment in a complex analysis of users and their behavior with the aim of "ensuring positive user satisfaction at all points of contact" (Danchev, 2018, p. 71). The consumer in the new digital society is placed at the center of the sales

process with insurance products, as the main focus is “maximum satisfaction, achieved through the continuous exchange of information about past behaviour, the opportunities in great demand in the present and the design of the future development” (Stoyanov, 2018, с. 398). “This allows the new market reality to be built through a shared information exchange, ensuring resource allocation to the participants in the trade cycle, which causes optimal economic and social effects for each of them” (Stoyanov, 2018, p. 398).

E-commerce with insurance products is developing dynamically, following the pace of development of information and communication technologies and prompted by these changes in the digital users’ attitudes and expectations. Online insurance trade is a natural stage in the adaptation of insurance companies to the dynamically changing business environment, a tool for gaining and maintaining consumer trust and improving customer relationships by offering flexible service and pricing schemes. This leads to the advancement of the insurance business model and the enhancement of the competitiveness through strategically “placement... in the infinite virtual space” (Stoyanov, 2013, p. 25) of the insurer and satisfaction of “the wide range of heterogeneous consumers’ needs of heterogeneous products, overcoming the limitations for space and time” (Stoyanov, 2013, p. 25). Digital insurance distribution is a natural part of insurance companies' response to consumer expectations for a better and more exciting customer experience. The modern digital consumers are looking for highly efficient, personalized and satisfying communication with the insurance company. However, it is also important to be noted that despite the indisputable advantages of a fully technologized distribution chain, for the modern consumers an attractive option for purchasing insurance are the possibilities of multichannel and omnichannel trade. The realization of trade through seamless transition across multiple channels such as website, insurer’s contact centre, mobile app turns into an irresistible and provocative challenge that captures attention, increases consumer engagement and provides them with an even more exciting experience. However, in order to achieve success and gain a competitive advantage, insurers need to integrate and leverage resources in omnichannel commerce so that “the strategic initiatives in one channel led to increased sales and customer satisfaction in other channels as well” (Danchev, 2018, p. 48).

Online trading of insurance products is a result of the observed trend towards significant investments by insurance companies in processes, that aim to increase customer accessibility to insurance services. The increasingly important role of digital technologies in customer relationships, in combination with new consumer expectations, are leading to radical changes in the way insurance products are offered, delivered, searched for and used. Digital platforms and systems create new direct sales channels, reducing the need for the intermediation of agents and brokers. This is dictated not only by the desire for a better customer experience, but also by the striving for lower distribution costs and the achievement of financial sustainability. If, on the one hand, new technologies reduce personal contact with customers, on the other hand, they allow to be increased the frequency and transparency of contacts with them. Omnichannel and multichannel capabilities in the sales process additionally increase customer loyalty. This, in turn, rouses strong research interest in the impact of digital distribution channels on consumer satisfaction and loyalty to insurance companies.

“Loyalty ... should always be recognized as a fundamental characteristic of any market transaction” (Stoyanov, 2006, p. 85). Analogous scientific studies, devoted to the analysis of customer satisfaction (Reshetkova & Goranova, 2019) and the impact of digital marketing channels on customer loyalty in the banking sector (Reshetkova & Neykova, 2020), (Neykova, 2019) have been studied, as well as research on this issue specifically in the insurance sector (Ramezani, et al., 2014), (Nowotarska-Romaniak, 2020).

According to National Statistical Institute report (NSI, 2022), the most active Internet users are young people at the age between 16 and 24 years (95.1%). Also, the most active in purchasing goods and services on the Internet in Bulgaria in 2022 are the persons between 25 and 34 years old (39.8%), and 93.6% of young people in this age group use the Internet every day or at least once a week (NSI, 2022). At this moment, it is unthinkable that insurance companies do not have an

appropriate presence in the electronic space and do not take advantage of the achievements of modern Internet technologies to attract and retain consumer demand.

The main purpose of the research is to be explored the emerging tendency toward the choice of a channel to purchase an insurance product and the potential of digital sales channels to influence the customer loyalty in the insurance sector by creating additional benefits for consumers. The main thesis of the study is that modern consumers prefer to buy insurance online, which brings them added value and satisfaction. In terms of achieving the set goal, it is necessary to be performed the following tasks:

1. To explore the emerging online channels for insurance distribution.
2. To explore the relationship between “satisfaction with digital distribution channels in insurance - customer loyalty”.
3. To investigate the impact of perceived benefits from using online channels for purchasing insurance on the level of customer loyalty.

2. Methodology and experimental methods

In the customer-centric approach, in addition to metric indicators for evaluating the effect of the implementation of digital technologies in the sale of insurance products, the requirements and individual perceptions of customers gain importance.

A quantitative empirical study of consumer attitudes with regard to the choice of a channel for purchasing insurance products was conducted. It was carried out in the form of a structured survey during the period of 21.10.2022 - 22.12.2022. Primary qualitative data was collected through personal interviews of managers and clients of insurance companies. The analysis of the collected data from the unstructured direct interviews is carried out by means of content analysis techniques, classification and systematization of the collected responses.

Quantitative data were collected through an electronic questionnaire, implemented on the LimeSurvey platform. They were processed by Excel, Smart PLS 4, SPSS Statistics 21.0 software.

The choice of non-probability sampling is assessed as expense justifiable and is predetermined by the impossibility to be observed the condition for representativeness, due to the lack of access to a comprehensive list of units from the population. Consequently, the obtained results should not be generalized beyond the studied population. The survey was distributed via email, social media and other digital communication channels among individuals, assuming that they have purchased or would purchase insurance online. A total of 462 completed survey questionnaires have been collected.

The methodology of the present study is adapted. The following stages can be distinguished:

1. Conducting unstructured (in-depth) interviews with managers and clients of insurance companies in Bulgaria in order to specify and formulate the main perceived benefits of online insurance purchases.
2. Formulating a theoretical model based on a literature review and the results from the in-depth interviews (Figure 1).
3. Operationalization of the latent variables in each construct and elaboration of the research questionnaire.
4. Testing the questionnaire.
5. Specifying the questions and sharing the questionnaires on the LimeSurvey platform.
6. Data collection and processing.
7. Model verification, using variance-based partial least squares structural equation modelling (PLS-SEM).
8. Data analysis.

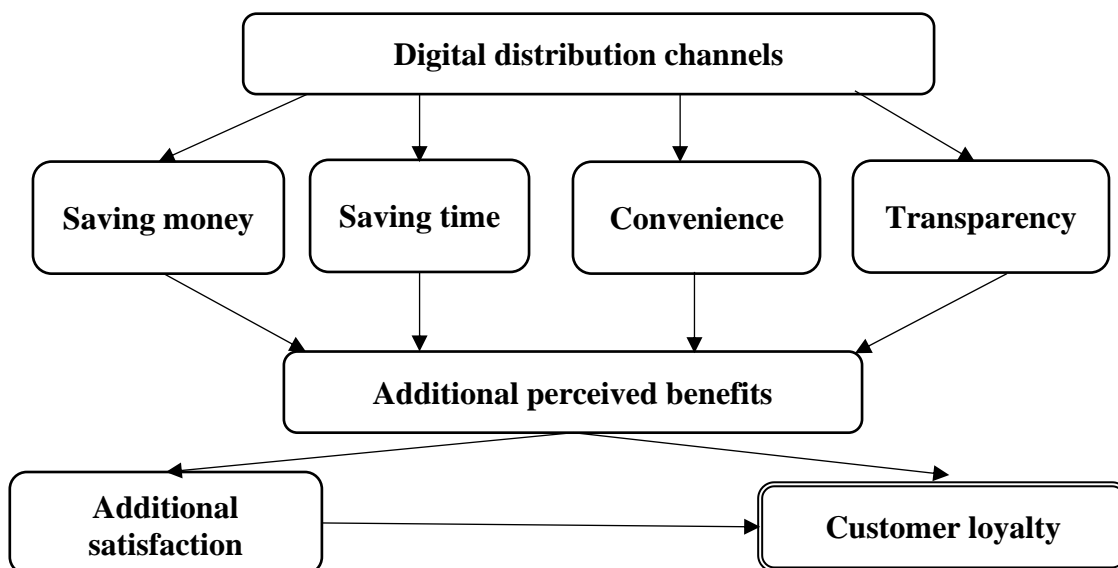


Figure 1. A conceptual model for an empirical study on the impact of digitalization of sales on customer loyalty in the insurance companies

Source: Adapted from Reshetkova & Neykova, 2020, p. 284.

The research questionnaire consists of six sections with a total of 18 questions. The questions in Section A “General Questions“ aim to gather information for a more detailed analysis of what proportion of respondents have used digital purchasing, which insurance products are most frequently bought online, as well as what is the extent of the recognition of insurance companies as providers of digital services. The research goes deeper into examining customer satisfaction with digital insurance sales and the impact of digital innovations on customer loyalty.

In unstructured (direct and mediated through phone or digital platform) personal interviews with managers and clients of insurance companies, the main benefits of online insurance purchases are discussed with maximum interviewer and respondent freedom. Based on synthesis and generalization of the results, four main benefits of using digital marketing channels (online platforms for buying insurance, mobile applications, insurance company websites) are outlined - time saving, convenience, money saving, security and transparency. On this basis, a theoretical model (Figure 2) has been formulated and the questions in the questionnaire in Section B “Perceived benefits” have been developed. In the three sections of questions (Section B, Section C, Section D) that aim to measure the constructs of “perceived benefits”, “satisfaction” and “loyalty” are included indicators to detect respondents who may be responding inaccurately. During the real analysis, the negatively phrased statements are recoded, so that a value of 5 corresponds to a value of 1 on the measurement scale and their formulation is modified to acquire a positive connotation.

Initially, the questionnaire is tested with a small group of respondents. Subsequently, the model is tested using the partial least squares method. Evaluating the theoretical model with the PLS algorithm involves two steps: verification of the validity of the measurement model and valuation of the predictive capabilities of the structural model (Smokova, 2012, p. 138).

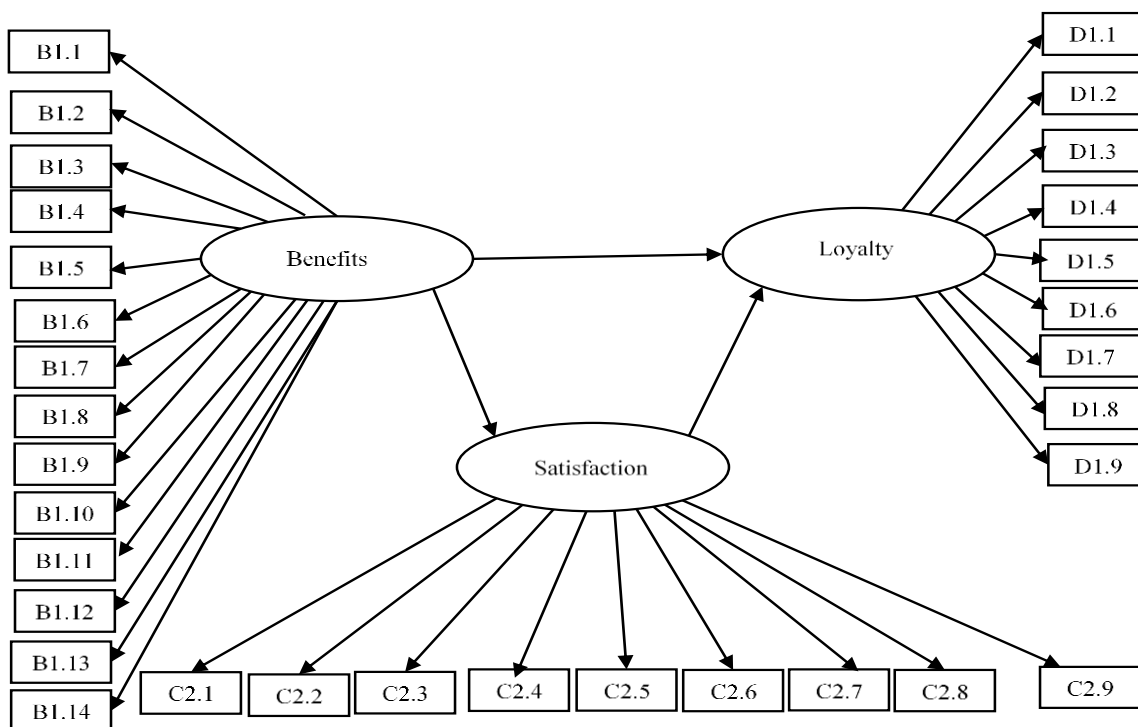


Figure 2. A structural model and measurement models
Source: Own work.

Included in the model variables – “perceived benefits”, “satisfaction” and “loyalty” are latent personality constructs. That’s why they are non-directly observable. This requires the development of multi-attribute scale, which contains specific indicators that describe each of them. According to the rules for constructing structural equation models, latent constructs are represented as ellipses, while their indicator variables are represented as rectangles. It is recommended to use PLS algorithm for evaluation of reflective measurement models. The partial least squares method is suitable for application due to its insensitivity to sample size, lack of requirement for normal distribution and lack of a minimum required number of indicators for constructs (Hair, et al., 2018, p. 5). For this purpose the software package SmartPLS 4 is used.

An approach that is similar to studies in the banking sector has been adopted to operationalize the constructs in the model, where the indicator variables, describing each of the three general constructs, have been adapted and supplemented according to the specificities in the insurance sector.

The perceived benefits of purchasing insurance online have been measured with 14 indicator variables. These variables focus on the advantages that online insurance sales can bring to customers, such as saving time by avoiding office visits and queueing, saving money through discounts, providing convenience by allowing shopping from home or office 24/7, and increasing transparency and awareness in digital purchases. A five-point Likert-type measurement scale has been used with extreme values: 1 - „completely disagree“ and 5 - „fully agree“. The multi-attribute Likert-type scale is suitable for measuring the construct of loyalty in the service sector (Reshetkova & Neykova, 2020). The assessment indicators include statements about both the current and future behaviour intentions of customers, as well as statements expressing attitudes towards the insurance company.

Block E of the questionnaire consists of questions that aim at determining the main reasons that could lead to the online purchase of insurance products, as well as, on the other hand, to identify the main prerequisites that prevent customers using digital insurance channels.

Block F of the questionnaire consists of questions with sociodemographic nature. Indicators such as gender, age, occupation are used to determine the risk profile of customers in insurance.

Information about a marital status and personal gross monthly income is utilized as a reference point for tailor-made insurance offerings to specific individuals.

The following research hypotheses were formulated, based on the review of specialized literature and the described findings in previous similar studies:

H1: There is a statistically significant difference between those who have purchased insurance online and those who have not according to the different sociodemographic criteria.

H2: There is a statistically significant difference between those who would and those who would not purchase insurance online according to the different sociodemographic criteria.

H3: The traditional distribution channel is relatively less preferred by consumers compared to the online channel for purchasing insurance.

H4: The trend towards the growth of young internet users reveals a high potential target market for the insurance business, suitable for an online channel.

H5: The perceived benefits of online insurance purchasing options have a direct impact on customer loyalty.

H6: The perceived benefits of online insurance purchasing opportunities have an indirect impact on customer loyalty.

H7: The customer satisfaction with digital channels for purchasing insurance has a direct effect on customer loyalty.

The results, obtained from the field research and the collected primary information, serve as a basis for drawing conclusions and recommendations that can be valuable for improving the sales process of insurance products in an online environment. On the base of these findings could be proposed a model for digital insurance.

3. Results and discussion

The main perceived benefits of consumers, who purchased insurance through a digital channel, have been studied. The unstructured interviews (conducted online, offline and over the phone) were carried out in relation to the selection of statements in the questionnaire in the section “Perceived Benefits”. The main purpose of this research approach is to gain a preliminary understanding of the benefits that customers of insurance companies in Bulgaria perceive, when purchasing insurance online, as well as when using digital innovations for subsequent servicing. The direct interviews were conducted from 05.09.2022 to 05.10.2022. The main criterion for selecting participants was that each of them had purchased at least one insurance product online and/or had used one or more digital services and channels (for example for paying premiums, online consultations, filing a claim notification, scheduling appointments, etc. through the insurer's website, platform or mobile application). The main purpose of the preliminary filtering and the specific criterion of prior experience is to be extracted information about the actual characteristics of the benefits that real users have anticipated and received from digital sales channels.

The main accents from the participants' shared opinions were extracted and based on synthesis and generalization of the results, the questions in the questionnaire section “benefits of digital innovations” were designed. This approach ensures that the utilized research construct is a result of a broader expert interpretation. Four main perceived benefits for clients are outlined: saving time, saving money, convenience and transparency.

The influence of sociodemographic characteristics of consumers on purchasing insurance through digital channels has been examined. The participants in the survey are predominantly highly educated professionals (48,3% with higher education), women (58,2%), with a gross monthly income in the range of monthly minimum wage and average monthly wages and salaries in Bulgaria to 30.06.2022 г. (56,5%). The majority of respondents are employed in the private sector 65,4%. The analysis of the results indicates that a larger proportion of those who purchased insurance online are women (64%), as well as the share of women (57,5%), which are inclined to digital insurance is bigger than those of men (42,5%). The highest percentage (60%) of those, who purchased insurance

online, have a personal gross monthly income above the national monthly average wages to June 2022 (1 710 BGN), whereas the highest percentage from those, who have never bought until now, but intend to do it, have gross monthly income within the borders of the interval of 710 BGN (the minimum wage) and 1 710 BGN, or 49,7%. In accordance with the educational level, 64% from those, who have bought insurance online, are with university education, as well as the highest percentage (57,6%) is for higher educated respondents, who would like to buy in the future. According to the marital status, the married respondents prevail over those, who are not married, as for those, who already have bought digital insurance (78% are married, as 48% are in a civic marriage, and 30% live on family principles), as well as for those, who would like to buy henceforth (44% are in a civic marriage and 25,1% live on family principles contrasted with 23% never married).

A non-parametric Mann-Whitney U test is applied for comparing two independent samples (Table 1).

Table 1. Results of testing the hypothesis for the presence of a statistically significant difference between those, who have purchased insurance and those, who have not purchased insurance, across the investigated sociodemographic characteristics

Indicator	Gender	Age	Education	Marital status	Occupation	Personal gross monthly income
<i>Mann-Whitney U</i>	25291,5	9514,0	6303,0	8859,0	9839,0	6453,5
<i>Assymp. Sig. (2-tailed)</i>	0,381	0,364	0,000	0,09	0,584	0,000
<i>r (effect size)</i>	0,041	0,042	0,225	0,079	0,0256	0,224
<i>Hypothesis</i>	h_0	h_0	h_1	h_0	h_0	h_1
Dependent variable: „Have you ever bought an insurance policy online?“						

Source: Data from the author’s survey, processed by SPSS 21.0.

The analysis of the influence of sociodemographic factors on the purchase or refusal to purchase insurance through digital channels by participants in the study, based on the results of the Mann-Whitney test, shows that despite the weak effect size of the differences, respondents who have purchased insurance online differ from those who have not purchased in accordance with the observed characteristics education and personal gross monthly income. It appears that for the studied population, gender is not a factor in online insurance purchasing.

Sociodemographic characteristics have varying influences on the participants' willingness to purchase insurance through digital channels. The results of investigation of the two alternative hypotheses are presented in Table 2:

Table 2. Results from testing the hypothesis for the presence of statistically significant differences between willing and unwilling respondents to purchase insurance online based on the investigated sociodemographic characteristics

Indicator	Gender	Age	Education	Marital status	Occupation	Personal gross monthly income
<i>Mann-Whitney U</i>	20873,0	14117,0	13462,5	20862,0	20886,0	17196,0
<i>Assymp. Sig. (2-tailed)</i>	0,822	0,000	0,000	0,962	0,987	0,001
<i>r (effect size)</i>	0,011	0,294	0,336	0,002	0,001	0,166
<i>Hypothesis</i>	h_0	h_1	h_1	h_0	h_0	h_1
Dependent variable: „Would you like to buy an insurance policy online?“						

Source: Data from the author’s survey, processed by SPSS 21.0.

After discussion and consideration of the results of the study on the influence of sociodemographic characteristics on respondents' willingness to purchase insurance through a digital channel, it can be concluded that the surveyed individuals, who have not purchased insurance online, but express a desire to do it, differ from those, who wouldn't according to age, education (with a moderate or typical effect size of difference) and personal gross monthly income. In accordance with the obtained results, age, education, and income appear to be factors among the respondents in the survey that influence the willingness for future online insurance purchases.

The relationship between the sociodemographic characteristics of the participants in the study and online insurance purchase, as well as the willingness for future digital purchases, were analyzed through two-dimensional distributions. Based on crosstabulations, a Chi-Square analysis was conducted and the following results are obtained (Table 3):

Table 3. The results of testing the hypotheses for the presence of a statistically significant relationship between sociodemographic characteristics and online insurance purchasing

Hypothesis	Indicator	Significance level	Result
(H1): There is a statistically significant relationship between gender and online insurance purchases.	Pearson Chi-Square	0,1905	h0
(H2): There is a statistically significant relationship between age and online insurance purchases.	Pearson Chi-Square	0,306	h0
(H3): There is a statistically significant relationship between education and online insurance purchases.	Pearson Chi-Square Cramer's V=0,239	0,000 0,000	h1
(H4): There is a statistically significant relationship between marital status and online insurance purchases.	Pearson Chi-Square	0,272	h0
(H5): There is a statistically significant relationship between occupation and online insurance purchases.	Pearson Chi-Square	0,327	h0
(H6): There is a statistically significant relationship between personal gross monthly income and online insurance purchases.	Pearson Chi-Square Cramer's V=0,228	0,000 0,000	h1

Source: Data from the author's survey, processed by SPSS 21.0.

Based on the established quantitative assessments, the following conclusions have been drawn:

- Gender is not a factor in the inclination towards online insurance purchasing. Each individual, regardless of the gender identity, forms a preference for using this modern commercial channel in a similar manner.
- The respondents' age and marital status do not appear to be determining factors in the clients' decision to take advantage of the alternative digital insurance purchasing channel.
- A weak correlation is observed between education and online insurance purchases.
- There is no statistically significant relationship between the occupation of the participants in the study and online insurance purchases.
- Online insurance purchases can be influenced by the incomes of the customers, as individuals with higher personal incomes have taken advantage of the opportunity for digital insurance purchases more than those with a personal gross monthly income below the minimum wage.

Similarly, the relationship between the sociodemographic characteristics of the surveyed individuals and their willingness for future insurance purchases through an alternative digital channel was examined. The synthesized results are presented in a tabular form as follows (Table 4):

Table 4. Results from testing the hypothesis of dependency using the Chi-Square test between sociodemographic characteristics and the “willingness for online insurance purchase” variable

Indicator	Gender	Age	Education	Marital status	Occupation	Personal gross monthly income
Pearson Chi-Square	0,051	35,777	64,288	31,048	19,789	17,530
Asymp. Sig. (2-sided)	0,822	0,000	0,000	0,000	0,003	0,000
Conditions for application	0 cells (0,0%) have expected count less than 5. The minimum expected count is 81,13.	0 cells (0,0%) have expected count less than 5. The minimum expected count is 12,05.	3 cells (25,0%) have expected count less than 5. The minimum expected count is 1,85.	0 cells (0,0%) have expected count less than 5. The minimum expected count is 7,45.	2 cells (14,3%) have expected count less than 5. The minimum expected count is 1,40.	0 cells (0,0%) have expected count less than 5. The minimum expected count is 25,48
Hypothesis	h0	h1	h1	h1	h1	h1
Cramer's V	0,11	0,295	0,395	0,275	0,220	0,207
Approx. Sig	0,822	0,000	0,000	0,000	0,003	0,000

Source: Data from the author's survey, processed by SPSS 21.0.

Based on the obtained results, the following more important conclusions can be drawn:

- There is no statistically significant relationship between the two variables “gender” and “willingness for online insurance purchase”.
- A statistically significant relationship is observed between the remaining five variables individually (“age”, “education”, “marital status”, “occupation” and “personal gross monthly income”) and “willingness for online insurance purchase”.
- Young consumers are much more inclined to start purchasing insurance through the alternative digital channel. Given the increasing share of young internet users, it can be concluded that there is a new market with high potential for insurance companies in Bulgaria.
- The highly qualified participants are the most willing to take advantage of online insurance purchases (71,4% with second higher education and 57,6% with higher education from the participants that have never bought online insurance and have these educational levels).
- Families could be a potential segment to which insurers could target digitally offered products.
- There is a big potential for online insurance and across the solvent population with incomes above the average in Bulgaria. They represent nearly 2/3 of the surveyed individuals with a positive attitude towards digital sales.

After the initial testing of the model of customer satisfaction and loyalty from online insurance purchases, the results from the applied analyses indicate the need for refining the measurement models and modifying the structural model. This refinement involves excluding indicator variables from the measurement models of the constructs and removing statistically insignificant relationships that were identified. The estimated modified model is illustrated on Figure 3.

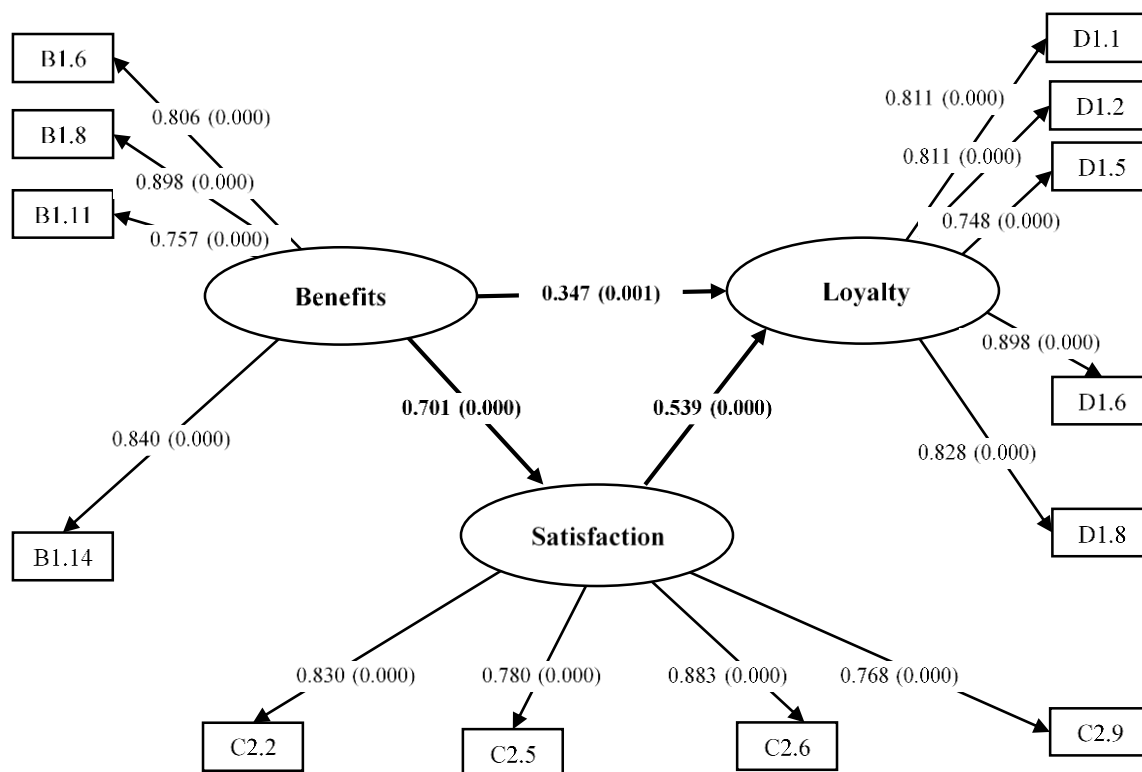


Figure 3. An estimated modified theoretical model of customer satisfaction and loyalty from online insurance purchase

Source: Data from the author’s survey, processed by a software product SmartPLS 4.

The final measurement model includes indicators, reflecting the convenience and speed of digital insurance. It is notable that indicators reflecting money savings and transparency are absent.

The current model cannot be considered as comprehensive regard to forming loyalty or satisfaction, despite the determined high predictive accuracy. The aim of this study is to analyze the relationship and determine the impact of perceived benefits from online insurance purchases on the customer loyalty in the insurance companies in Bulgaria that have initiated the digitization of their sales processes. The evaluations of the direct and indirect effects of perceived benefits on loyalty at the respective level of significance are presented in Table 5.

Table 5. Direct and indirect effects in the model of customer satisfaction and loyalty from online insurance purchase

Fixed effect	Original sample (O)	Median (M)	Standard deviation (STDEV)	t-statistic (O/STDEV)	Significance level
Benefits -> Loyalty (indirect effect)	0,378	0,378	0,08	4,723	0,000
Benefits -> Loyalty (direct effect)	0,725	0,727	0,069	10,554	0,000
Benefits -> Satisfaction (direct effect)	0,701	0,703	0,096	7,343	0,000
Satisfaction -> Loyalty (direct effect)	0,539	0,543	0,108	4,983	0,000

Source: Author’s calculations by means of SmartPLS 4.

On the grounds of the results of all applied analyses can be systematized the following key findings and conclusions:

- Statistical significance is observed in both the coefficients reflecting the direct influence of perceived benefits and those reflecting the indirect influence coefficients.
- The highest absolute value is observed in the influence of perceived benefits from purchasing insurance through digital channels on satisfaction with online purchases.

- Increasing the perceived benefits provided to users of digital insurance products leads to an increase in loyalty towards the insurance company.
- The impact of satisfaction with online purchases on loyalty is stronger than the direct influence of the perceived benefits from users.
- The more benefits customers believe that perceive from purchasing insurance through digital channels in terms of convenience and time saving, within the context of service speed and access to information, the more satisfied they will be with their experience using insurance products.
- Digital capabilities in insurance contribute to attracting and retaining customers, which is expected to lead to increased premium revenue and improved financial performance of the company.
- The seamless integration of insurance products in an omnichannel approach, along with a high-quality and optimal user experience, is much better perceived by customers, compared to a multichannel approach.

Conclusion

Based on the results of the analysis of the relationship between “satisfaction with digital distribution channels in insurance - customer loyalty”, the conclusion can be drawn that insurance companies in Bulgaria should focus their strategies on digital transformation of the sales process towards providing additional perceived benefits from digital insurance. The use of digital channels for insurance purchases can generate new benefits for customers. Through the development of digital channels, insurers can enhance customer satisfaction and thereby encourage their loyal behaviour. The implementation of new alternative sales channels requires significant investments in modern information technologies, as well as personnel with specific skills and knowledge. The stimulating of sustainable development in insurance requires timely regulatory optimizations that take into consideration digital innovation. Increasing financial and insurance literacy and culture, as well as trust in the reliability of digital technologies, are a key to increase consumer preferences to buy digital insurance. Therefore, it is important regularly to assess the impact of digitization on consumer behaviour and consequently, through satisfaction and loyalty, on the insurance company.

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