

Marketing in the Age of Transparency

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HEADHUNTERS INTERNATIONAL
consulting services
A Management Consultancy Firm

Sustainable Competitive Advantage Through People

The age of transparency

- “If you are going to be naked, you’d better be buff.” (Andrew Winston)
- Our stakeholders — customers, partners, suppliers, investors e.t.c — know more than ever about organizations with which they do business.
- They possess unprecedented power to spread the word about anything that goes wrong or that displeases them
- When something goes wrong :-
 - the damage to your business and your reputation will be revealed more quickly and spread faster and wider than ever before.
- operating in the perilous new landscape of data, transparency, and social connectivity.

The age of transparency

- Everyone is carrying a video camera



The Unlearned lesson in Zim Insurance

- Reputation of failure to settle claims
- Double claims
- Long turnaround times
- Missing files



World's expectation to transparency

- The world's expectation has been reset.
- Access to more information
- Transparency
- Companies are being held accountable for their decisions
- Demand for putting money into funds that have some impact



Transparency in Marketing?

- now an unescapable reference in public, professional, and private life.
- has become a form of governance
- everyone is affected by the recent rise of transparency as a governing principle.
 - Openness and honesty of brands in their communications and operations.
 - Consumers expect brands to be forthright about their practices, values, and products.



Zimbabwean Context

Consumer Trust and Expectations: The Zimbabwean insurance sector faces significant challenges in building consumer trust due to a history of opaque practices, complex terms and conditions, and delays in claim settlements. Transparency is now a key driver in restoring faith and increasing market penetration.

Economic Challenges: The country's economic instability, marked by hyperinflation and fluctuating currency values, has further complicated consumers' understanding of the value of their insurance policies. Clear, honest communication is more critical than ever for both customer retention and long-term sustainability.

Shifting Consumer Demands: With rising awareness, consumers in Zimbabwe are demanding greater transparency in policy pricing, coverage, and claims processes. This shift is pushing insurers to adapt their marketing strategies and adopt more consumer-centric, transparent approaches.



The Consumer Council ACT

- The primary objective of the Consumer Protection Act (CPA) is to protect the consumer of goods and services by ensuring a fair, efficient, sustainable and transparent marketplace for consumers and business through the establishment of the Consumer Protection



The Rise of Consumer Awareness

- **Statistics:** 79% of consumers research a brand before making a purchase, highlighting the growing importance of brand reputation and transparency.
- **Impact of Social Media:** Platforms like Twitter and Instagram empower consumers to voice concerns and share experiences in real-time, increasing pressure on brands to be accountable.
- **Online Reviews:** 90% of consumers read online reviews before visiting a business, making customer feedback a crucial factor in shaping brand perception.
- **Petitions:** Large-scale petitions, such as one with a million signatures against a company, can severely damage a brand's reputation and viability.
- **Consumer Resistance:** Consumers have developed numerous ways to resist lack of transparency and integrity, especially from industries like insurance, where trust and clear communication are key.



Benefits of Transparency

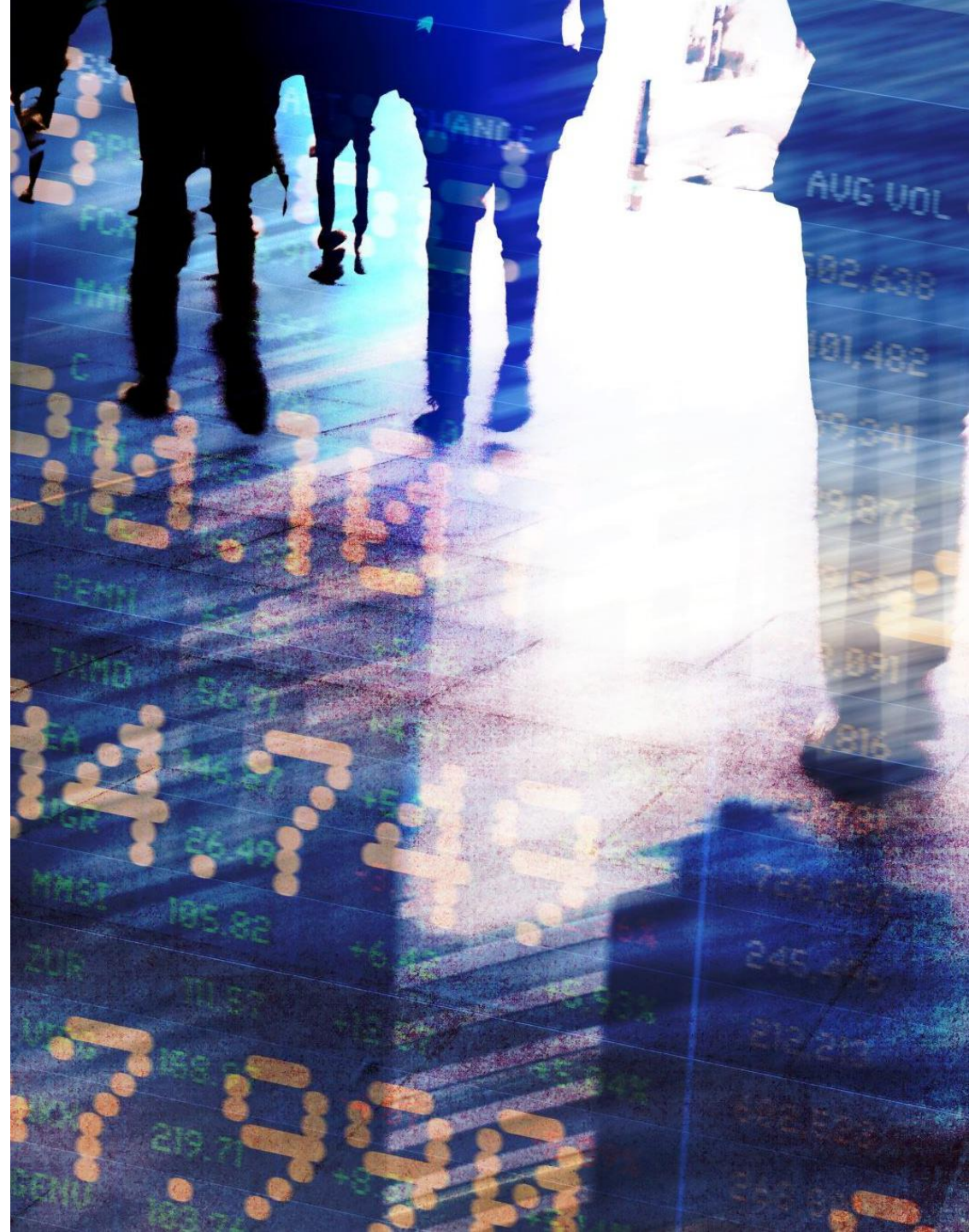
Building Trust:

- **Consumer Confidence:** Brands that are transparent often see higher levels of consumer trust and loyalty.



Challenges of Transparency

- **Potential Risks:**
 - **Backlash:** Brands that fail to deliver on transparency may face severe backlash (e.g., public relations crises).



Strategies for Transparent Marketing

- **Authentic Storytelling:** Share real stories behind products and the people who create them.
- **Open Communication:** Engage consumers through Q&A sessions, live chats, and social media interactions.
- **Clear Product Information:** Provide transparent details about sourcing, pricing, and ingredients.
- **The Ability to Apologize:** Companies should take ownership, apologize, and offer compensation when needed.
- **Impersonal Character of Social Media:** Address irrelevant comments or customers who have no impact.

Strategies for Transparent Marketing

- **Protection of Vulnerable Groups:** Companies should implement clear strategies to protect marginalized groups.
- **Clear Inclusivity for Marginalized Communities:** Ensure inclusivity and accessibility for all, particularly marginalized groups.
- **Social Responsibility:** Insurance companies should invest in social responsibility initiatives and publicize their efforts.
- **Protection of Value:** A key issue for insurance companies is convincing customers of the value their policies provide, especially in Zimbabwe's uncertain economy.
- **Strategies to Save the Pension Fund:** Offer strategies to preserve and protect the value of clients' pension contributions in Zimbabwe's volatile economic environment.

Leveraging Technology



- **Digital Tools for Transparency:**

- **Social Media:** Use platforms to communicate openly with consumers and address concerns directly.
- **Blockchain Technology:** Increasingly used to provide verifiable information about product origins and supply chains.





Engaging with Customers

- **Two-Way Communication:**
 - **Feedback Mechanisms:** Implement surveys and feedback forms to understand consumer perspectives.
 - **Active Listening:** Encourage discussions and respond promptly to inquiries and feedback.
 - **Spending time with customers:**



Impasse

- **Lack of Transparency in Terms and Conditions:** Fine print often leads to confusion and a lack of transparency, undermining trust.
- **Complex Claims Processes:** Complicated and lengthy claims processes have driven people away from traditional insurance, leading many to opt for self-insurance or minimal coverage, often just for regulatory compliance (e.g., third-party insurance).
- **Loss of Trust:** Due to these issues, the insurance industry is facing a decline, as customers no longer trust the system or see value in comprehensive coverage.
- **Impasse Between Insurance Companies and Customers:** This growing disconnect creates a standoff between insurers and their clients, leaving both sides at odds.
- **Risk of Industry Failure:** Unless this impasse is addressed and trust is restored, the insurance sector risks failing dismally.

Transparency in Marketing Communication

Ethical Practices:

- Ensure all claims are substantiated and avoid misleading information.
- Honest with customers is sustainable.
- Companies should correct what has gone wrong.(Recovery).
- Build a reputation of trust and honest with clients
- **Case Study:** Toyota Prius Hybrid had a defect, and the organisation recalled it the whole world (Recovery)



Measuring Impact of Transparency

Excellency must not be an event but a lift style

Metrics and KPIs:

There must be a continuous automatic measurement system

- **Consumer Trust Index:** Measure how transparency affects consumer perception.
- **Engagement Metrics:** Track social media interactions and feedback to gauge effectiveness.
- **Customer Delight Index: Customer Delight Index (CDI)** measures the extent to which a company exceeds customer expectations, creating an emotional connection that leads to higher satisfaction, loyalty, and advocacy. It goes beyond basic satisfaction by focusing on delighting customers and fostering strong, positive brand experiences.



Future Trends

Increased Consumer Power: The balance of power is shifting from service providers to consumers, giving them more control over their choices and expectations.

AI as a Game Changer: Artificial intelligence will play a key role in enhancing transparency, offering greater control over marketing practices beyond individual efforts.

Dominance of Global Customers: Companies will increasingly need to cater to global customers, not just domestic markets, requiring more inclusive and transparent marketing strategies.

Embracing Diversity: There will be a stronger focus on embracing diversity, both in marketing content and customer engagement, reflecting a broader range of perspectives and identities.

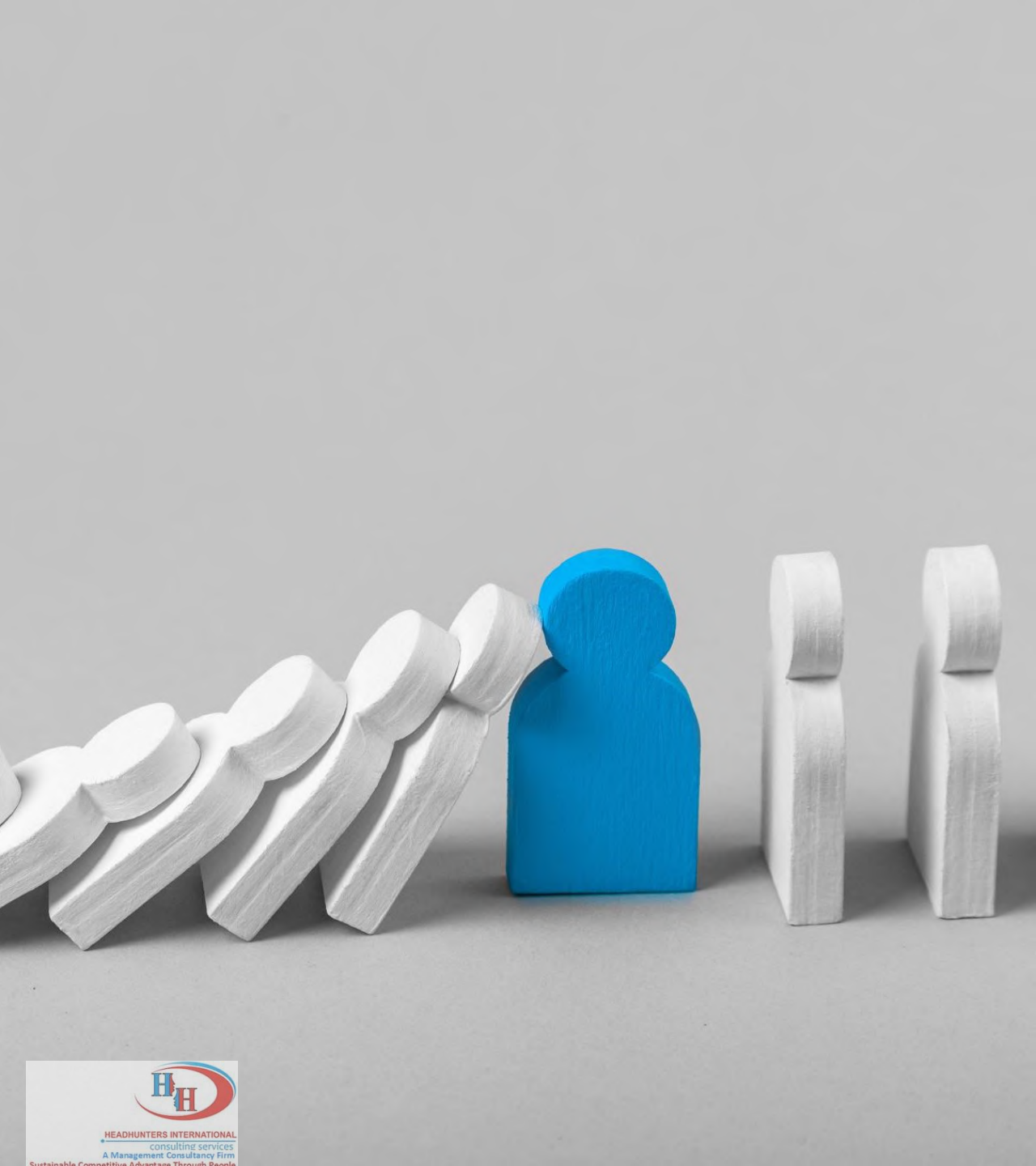
Increased Regulatory Scrutiny: Expect heightened regulatory oversight, with stricter requirements for transparency in marketing practices across industries.

Rise of Ethical Consumerism: Consumers are demanding more from brands, favoring those that prioritize social, environmental, and ethical responsibility in their marketing and operations.

The Role of Regulation

- **Navigating Legal Considerations:**
- Increased demand for liberalisation and promotion of choice
 - **Overview:** Discuss key regulations affecting marketing transparency guidelines.
 - **Best Practices:** Ensure compliance while maintaining honesty in marketing messages.





Overcoming Resistance to Transparency

Addressing Internal Challenges:

- **Common Barriers:** Fear of negative feedback or revealing too much information.
- **Strategies:** Foster a culture of openness and encourage leadership to champion transparency initiatives
- Ultimately Change will be forced upon insurance companies

Three Big Points – Andrew Winston

1. Get your act together.

If you're doing something you don't want the world to know about, you've got a problem. People are going to find out.

2. Listen to *all* of your stakeholders.

What do they care about, and what do they want to know about how you operate?

3. Know your story and be prepared to tell it.

Why do you exist? What is the value your business provides to the world? Be clear on your mission and your raison d'être is an asset in good times as well as when you hit a bump on the road.





THE END .THANK YOU

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