

The possibilities of using social media in selling insurance in the agricultural segment

Tomasz Czuba, Andrzej Jaworski

Abstract

Marketing communication on the market in the 21st century is dominated by social media. We can't imagine functioning in the real world without being constantly present in them. The potential of social media is more and more often recognized by companies, which reach their audience faster with their message in precisely such a manner.

The classic model of marketing communication described, for example, by P. Kotler is still up-to-date. However, it takes on a different character, because the speed of the transmission has an impact on immediate feedback. Therefore, social media constitute a challenge for companies selling their standardized products and services on the market. On the one hand, the message reaches current and potential recipients, on the other hand, we immediately receive feedback sent consciously in response to the message. If the answer is missing, we can – taking advantage of social media – find out what the recipient did with “our” message.

Speaking about social media, we usually don't go into details, treating the audience almost uniformly (the distance barrier does not exist). From a different point of view, it seems that it is the consumers – local and large-scale recipients – that constitute the base of such activities. Perhaps this is true, as can be proven by effective campaigns and the financial results of companies representing different sectors. However, it seems that omitting other recipients is a mistake. According to the authors, insurers offering their products in the agricultural segment do not fully benefit from the potential of social media.

The article aims to indicate unused possibilities of social media concerning the sale of insurance products in the agricultural segment. To achieve the goal, the authors will explain the essence of social media and how important are social media relations. They will take advantage of their own research carried out in this segment in 2020. In addition to describing insurance, these studies also addressed the use of social media (the extent of using them by farmers).

Keywords: social media, insurance in agriculture, insurers.

Tomasz Czuba, PhD, Faculty of Economics, University of Gdańsk; **Andrzej Jaworski**, MA, Academy of Social and Media Culture in Toruń.

Introduction

One of the first definitions of social media has been presented by H. Rheingold. He believes that social media constitute a social group created on the Internet. According to Rheingold, users have sufficiently long and engaging conversations leading to the formation of personal relations between them¹.

A.M. Kaplan and M. Haenlein define social media as a group of web apps that enable creating and exchanging of user-derived content². In turn, M. Laroche, M.R. Habibi, and M. Richard wrote that the content is not only absorbed passively but also actively transmitted by users³.

Social media can also be defined as networking tools and platforms used to communicate, and exchange opinions, beliefs, and viewpoints⁴. They are considered a technological solution for sharing opinions and knowledge⁵.

D. Kaznowski claims that social media are socially controlled. He defines them as media that can be used on any scale⁶. He distinguished the characteristic features of social media, such as free access to create and receive content, accessibility, the possibility of disseminating, and limiting the time of their publication to a minimum.

Social media use communication techniques, are characterized by a high degree of interactivity and user engagement thanks to network and mobile technologies⁷. Social networks and portals constitute a virtual meeting and discussion point. By customizing the interface, the users can find people that have similar views, interests, and beliefs. Social media allow establishing contact using tools such as direct messages, e-mail, or public posts. There are also many so-called services open to all Internet users. The advantage of such a type of activity consists in the possibility of grouping users in relation to their preferences and topics of interest, e.g., the same field of study⁸.

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1. H. Rheingold, *The virtual community. Homesteading on the electronic frontier*, Addison-Wesley, Reading MA 1993, p. 6.
 2. A.M. Kaplan, M. Haenlein, *Users of the World, Unite! The Challenges and Opportunities of Social Media*, "Business Horizons" 2010, Vol. 53, No. 1, p. 59–68.
 3. M. Laroche, M.R. Habibi, M. Richard, *To be or not to be in social media: How brand loyalty is affected by social media?*, "International Journal of Information Management" 2013, Vol. 33, No. 1, p. 76–82.
 4. C. Seda, *Sprzedaż online*, Gliwice, Helion, 2008, p. 87.
 5. M. Laroche, M.R. Habibi, M. Richard et al., *The effects of social media based brand communities on brand community markers, value creation practices, brand trust and brand loyalty*, "Computers in Human Behavior", 2012, Vol. 28, No. 5, p. 1755–1767.
 6. D. Kaznowski, *Social media – społeczny wymiar Internetu, E-marketing. Współczesne trendy. Pakiet startowy*, Warsaw, PWN, 2016, p. 89–90.
 7. M. Dorenda-Zaborowicz, *Marketing w social media*, "Nowe media" 2012, nr 3, p. 59.
 8. M. Grębosz, *E-konsument a portale społecznościowe*, "Handel Wewnętrzny" 2011, t. 3, p. 179.

Features of Social Media

It is possible to distinguish three types of behaviour among social media users:

- 1) passive communication, i.e., passive assimilation of content, lack of commitment and creating own added value, and only assimilating available information;
- 2) indirect communication, i.e., creating own content and sharing it with other users;
- 3) direct communication based on directing content to a given person by sending a private message or e-mail⁹.

In comparison to traditional media, social media stand out with many features. The main distinguishing feature is the aspect of access. They are usually free and generally available to users. They are characterized by a large group of recipients and the possibility of reaching a wide range of people potentially interested in the published content. Creating and publishing texts/graphics on social networks consists in simple and quick activities that do not require the user to possess specialized knowledge. However, the basic feature of social media consists in the speed of reacting and the ability to make changes and edit published content. Therefore, social media constitute an excellent platform for users. They are not only passive recipients, but also have the opportunity to interfere and introduce their own suggestions. The user is both the recipient and the creator of the content¹⁰.

A.M. Kaplan and M. Haenlein proposed dividing social media into two groups in terms of factors: 1) social presence and media richness, and 2) self-presentation and self-disclosure¹¹. Social presence is characterized by a sense of emotional connection with other users of a given social media, while the richness of the media is based on the possibility of providing feedback. Self-presentation and self-disclosure provide the opportunity to present oneself as an individual in the manner in which one wants to be perceived. A.M. Kaplan and M. Haenlein distinguished six types of social media¹²:

- 1) virtual world of games – requires the user to comply with specific rules and has a determined goal; the world of games is considered to be a medium with the highest level of wealth and social presence;

9. M. Grębosz, D. Siuda, G. Szymański, *Social Media Marketing*, Monografie Politechniki Łódzkiej, Łódź 2016, p. 15.

10. Ph. Kotler, K.L. Keller, *Marketing*, Poznań, Dom Wydawniczy REBIS, 2013, p. 586.

11. A.M. Kaplan, M. Haenlein, op. cit., p. 61.

12. Ibidem, p. 53.

- 2) virtual social world – it is based on a simulation of the real world; users are present as avatars and follow only fundamental laws, thus possessing an unlimited possibility of self-presentation;
- 3) communities focused on content – they contain only basic information about the user, allowing them to publish and share content with others.
- 4) collective projects (shared) – websites created by a group of people having the same goal; an example of this is Wikipedia, which allows each user to create content, as well as edit and improve information posted by previous users;
- 5) blogs – the oldest form of social media; content is published on them usually in chronological order (dated); a blog allows publishing content about life, passions and interests;
- 6) social networks – currently the most popular type of social media; they include websites that allow users to communicate, create, publish, and share content; social networks contain information about the user, allow to add a description and personal data, they provide the option to publish and create photos, videos, texts, or graphics.

In turn, according to G. Mazurek, social media can be divided into six different groups with the following characteristics¹³:

- 1) social platforms – these are online platforms that allow quickly and easily establishing contacts with other users; they allow for establishing relations, which is significantly facilitated by the parameters set in a given app, e.g., Facebook or Google.
- 2) communication platforms – are information databases, edited by active users;
- 3) internet multimedia repertories – allow users to communicate through video chats, conversations, as well as e-mail and text messages;
- 4) communicators – enable the direct contact of users with each other;
- 5) blogs – they are based on publishing content and the possibility of actively commenting, and are informal;
- 6) microblogs – their activity is based on publishing short texts, most often concerning current events.

T. Aichner and F. Jacob proposed a division of media into twelve different groups. In their opinion, social media are divided into forums, blogs, business networks,

13. G. Mazurek, *Znaczenie wirtualizacji marketingu w sieciowym kreowaniu wartości*, Warsaw, Poltext, 2012, p. 100.

corporate networks, shared projects, microblogs, rating portals, photo sharing, social tabs, social networks, social games, the virtual world, and video sharing¹⁴.

Ph. Kotler and K.L. Keller distinguished three types of social media platforms. These include blogs (in the form of a journal), communities and forums engaging in discussions and bringing together people with specific interests, as well as social networks for sharing content and establishing relations¹⁵.

Themes of social media presence

The development of the Internet is the main premise for the dynamic development of social media marketing. The constantly emerging new marketing innovations will begin to facilitate creating a market advantage of enterprises among competitors. Social media marketing is based on building customer relations, content, user engagement, sales promotion, advertising, and public relations. Social media allow for easy and quick contact with the company, simple search for information, and are often also a source of knowledge and entertainment.

It is possible to distinguish four groups of needs corresponded by the user and entrepreneur's presence on social media:

- 1) a social need based on building relations and maintaining contact (both between users and businesses);
- 2) cognitive needs are driven by the desire to acquire the user's knowledge and education;
- 3) acceptance needs consisting in building an image in social media; in social media, the user presents only the content he/she considers appropriate, thus building public opinion; it is also important for the user to gain recognition;
- 4) ludic needs, i.e., searching for entertainment and humorous content; social media often constitute a way to spend free time and a solution for boredom¹⁶.

When describing social media users, it is possible to use the division into two groups:

1. Mature users over 40 years of age. This group learned to use social media only in middle age because in their youth they did not have contact with new technologies.

14. M. Grębosz, D. Siuda, G. Szymański, op. cit., p. 19–22.

15. Ph. Kotler, K.L. Keller, *Marketing*, op. cit., p. 586–588.

16. J. Raacke, J. Bonds-Raacke, *MySpace and Facebook: Applying the Uses and Gratifications Theory to Exploring Friend-Networking Sites*, "Cyber Psychology and Behavior" 2008, Vol. 11, No. 2, p. 169–174.

2. Young people with access to the Internet from an early age. This group is characterized by courage and determination in terms of online activities. They are not afraid to test technological innovations, and also possess a quick ability to learn the media, as well as openness and trust towards social networks.

For the group of young people, social media constitute primarily a tool for contact, maintaining relations and establishing virtual acquaintances. However, older people, who have not used the online network for most of their lives, are a specific group and therefore have limited trust towards new technologies. People over 50 constitute a relatively smaller group among social media users, but due to the fact that the population is aging, the number of users in this group increases every year.

Therefore, summing up, the Internet has currently become the main communication tool, and social media allow for building and maintaining bonds. This offers a wide range of opportunities for entrepreneurs and their clients. Handling business in social media enables creating company websites (fanpages) and using functions for building and maintaining the brand image¹⁷, it also provides insurers with great opportunities for cross-selling for insurers.

Social media relations

When taking care of proper actions on social media, enterprises should focus on creating a long-term relationship with the customer. There are many factors impacting the building of trust towards a brand on social media. These include constructive discussions through comments, private messages, and discussion groups created by the company, as well as effective marketing communication based on the right choice of vocabulary, as well as the skills of creating content for a given group of recipients. It is also important to maximize the benefits and value for the recipient by publishing texts or educational graphics. From the perspective of a long-term relationship, one should also remember about creating a community of users and creating opportunities for users to express their opinions¹⁸.

Thanks to using tools available on social media platforms and combining them with meticulousness and conscientiousness, a company is able to build a long-term relationship based on trust and loyalty.

The trust of consumers may be built by belonging to a virtual community centred around a brand (e.g., an insurer). It consists in a collection of users of social media,

17. M. Grębosz, D. Siuda, G. Szymański, op. cit., p. 46–51.

18. P. Doyle, *Marketing wartości*, Warsaw 2003, p. 91–102.

gathered in one place. It is usually a group set up by the company to exchange opinions and suggestions concerning products or services. A customer, who is satisfied with service and contact with a company, is convinced about the reliability of the offered products¹⁹. When a different client becomes uncertain, the person trusting a given company is able to provide advice and substantive support. According to research, belonging to a virtual community leads directly to an increase in consumer trust and loyalty. Participation in a group gives a sense of additional value offered by the brand, which also translates to repeating the purchase of a given product²⁰.

The essence of social media is that they constitute the main source of information concerning a given brand. Data is not published only by the company, but also by active users, which affects the authenticity and image²¹.

An important aspect is also that consumers compare their own values with the values presented by a brand. The more the two elements coincide, the more the consumer decides to buy a given good²². It is important that a brand's marketing communication also responds to the spiritual and social needs of users. From the consumer's perspective, it is important for the brand to engage in ecological aspects and be guided by ethical behaviour²³.

The main problem with social media is that it is not possible to directly analyze and translate marketing activities into sales. Social media provide the possibility to determine the number of recipients of an ad, the users interested in the site, and the reach. However, there is no single effective method for clearly defining the effectiveness of actions in social media. Combining an online store with, for example, a Facebook website may be helpful in terms of data analysis, which will show some of the dependencies between consumer behaviour and data²⁴. Nevertheless, combining knowledge concerning what social media are and what role they play – with knowledge of their proper management combined with knowledge about the studied group – creates opportunities to at least consider the use of these media for sales purposes.

19. D. Gefen, E. Karahanna, D.W. Straub, *Trust and TAM in online shopping: An integrated model*, "MIS Quarterly" 2003, Vol. 27, No. 1, p. 51–90.

20. M. Laroche, M.R. Habibi, M. Richard et al., op. cit., p. 1755–1767.

21. G. Mazurek, *Promocja w Internecie – narzędzie, zarządzanie, praktyka*, Gdańsk, Ośrodek Doradztwa i Doskonalenia Kadr, 2008, p. 13.

22. K. Badowski, D. Posdorf, Ł. Wiewiórkowski, *Wartości: klucz do silnych marek na rynkach rozwiniętych*, "Harvard Business Review Polska" 2009, Vol. 71, No. 1, p. 64–76.

23. A. Rak, *Kreowanie wizerunku marki w mediach społecznościowych*, "Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu" 2012, Vol. 260, p. 407–416.

24. M. Grębosz, D. Siuda, G. Szymański, op. cit., p. 66–74.

Social media in the agricultural segment in the light of empirical research

Research methodology

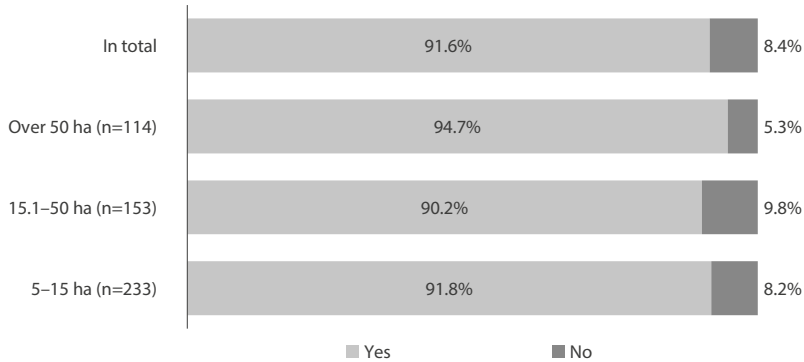
The presented, selected research results concern social media used by farmers. Data were collected during researching the insurance services market in the agricultural segment at the turn of August and September 2020 on a representative sample of farm owners with an area of over 5 ha throughout the country²⁵. The study was conducted using the CATI/CAWI method. The sample size was 500 farms throughout Poland. The survey's respondent consisted in the owner of the farm, who decides on selecting/purchasing insurance for the owned farm. Among the respondents, 95.2% were men, 4.8% were women. People aged 41+ constituted the dominant group of respondents in the study – their share in the study amounted to 71.2%. People up to 40 years of age constituted 28.8% (the average age of the respondent in the study was 49 years, the median age was 50 years). The average number of people in the household in the surveyed group is four. The size of the surveyed farms was as follows: from 5 ha to 15 ha – 46.6%; from 15.1 ha to 50 ha – 30.6%; above 50 ha – 22.8%.

Social media in agriculture

According to the results of the research, 92% of the surveyed farmers use the Internet. The percentage of users is basically similar when taking into account the size of the possessed farm.

25. The study was carried out as part of the author's own research. In 2020, apart from the market of insurance services, it also concerned the market of banking services. Such a study was carried out in 2020 for the fourth time. More about the study and the results: T. Czuba, *Ubezpieczenia gospodarstw rolnych w Polsce – wyniki badań empirycznych*.

Figure 1. Use of the Internet by farmers depending on the size of the farm



Source: The authors' study based on empirical studies.

Internet users most often use electronic mail (96% of indications), use electronic banking – 85% of indications, view information (general or industry) – 65% of indications, use social media – 59% of indications, and make purchases over the Internet – 36%. Taking into consideration that, according to the results of this study, the average age of a farmer is 49 (median age 50), these results should be classified as providing an opportunity to increase the sales of insurance products for farmers using social media, around which a community can be built. At the same time, according to the statements of the respondents, all of them possess a mobile phone (more than 90% a smartphone), which constitutes an additional argument for the possibility of increasing such sales. At the same time, smartphone users indicated that they take advantage of various apps installed on the phone. Most often they are weather apps (87% of indications), banking apps (82%), social media (76%), store apps (31%), and loyalty programs (16%).

When analysing the use of social media depending on the intention to purchase additional insurance for the farm in the perspective of the next 12 months, the Chi2 statistical test was used. The following statistical hypotheses were put forward for verification:

H0: The intention to purchase additional insurance for a farm is not affected by the scope of the use of social media.

H1: The intention to purchase additional insurance for a farm is affected by the scope of using social media.

The analysis with the use of the Chi2 test resulted in the following value of the p-value coefficient: $p=0.000$. The significance is $\alpha=0.05$, and therefore: $\alpha > p$.

Conclusion: H0 was rejected and an alternative hypothesis H1 was adopted, i.e. that there is a relationship between the scope of using social media and the intention to purchase additional insurance for a farm within the next 12 months.

Additionally, the respondents were asked in the described survey about possessing voluntary (private) health insurance (paid for independently). According to the survey's results, 21% of respondents possess such insurance. Assuming that the question was properly understood, it is worth noting that this translates into the number of people working in agriculture, which amounts to 1.3 million people (according to the results of the Agricultural Census 2020), this amounts to circa 273 thousand people. It is worth adding that according to the data of the Polish Insurance Association (Polska Izba Ubezpieczeń – PIU)²⁶, about 3.7 million people possess private health insurance in Poland (Q3 2021), which means an increase of 17% year-to-year, and basic medical packages including access to basic care and several specialist doctors have gained popularity. It seems that the rate of growth of voluntary insurance will not be inhibited, which is also due to the dissatisfaction with the functioning of healthcare in Poland, which is confirmed by the latest study conducted by CBO in October 2021²⁷. Therefore, according to the data quoted, farmers possessing voluntary health insurance constitute only 7% of all those possessing such insurance in Poland. The low level of possessing this type of insurance may also be a challenge for insurers to try to increase the scope of using this insurance in the above-mentioned group. At the same time, taking into account the fact that there is a relation between the intention to purchase additional insurance for a farm (this concept includes also private health insurance) and the use of social media in the agricultural segment, the question arises whether social media can become a tool for increasing the sales of this product among farmers (it seems that the market potential is high).

In this context, it is also worth mentioning the main conclusion resulting from qualitative research²⁸ conducted by the authors in this segment (the study concerned the assessment of the quality of their lives in 2021), in which “health and financial security is a priority for the household”. Understanding the lack of representativeness of such studies, they still confirm the existing potential for voluntary health insurance in the examined segment.

26. Polska Izba Ubezpieczeń, *Private health insurance is already possessed by nearly 3.7 million Poles – results after Q3. 2021*, <https://piu.org.pl/prywatne-ubezpieczenie-zdrowotne-ma-juz-blisko-37-mln-polakow-wyniki-po-iii-kw-2021-r/>, access 16.06.2022.

27. CBOS, *Opinie na temat funkcjonowania systemu opieki zdrowotnej*, “Komunikat z badań” 2021, nr 125, https://www.cbos.pl/SPISKOM.POL/2021/K_125_21.PDF, access 16.06.2022.

28. Qualitative research using the IDI method carried out in October 2021 in the agricultural segment.

Summary

It is undisputed that social media have changed the image of contemporary society. We can't imagine today's life without new media. They constitute a daily attribute of functioning, thanks to which we are in constant contact with family, close friends, or distant relatives. Technological changes are constantly moving forward and it is now difficult to say whether they will not change the picture of our reality once again. However, the sales potential that lies in social media is a fact. It is constantly being used in an insufficient manner, which may be largely due to the inability to subtly build trust in the brand, focusing recipients/customers around a community offering value for which they will be able to do more than just be a passive recipient of social content. This is an important, but also a difficult task that requires proper preparation, extensive knowledge about the recipients (based on research), and constant market observation. The above-mentioned research and analysis results concerning the farmers' segment indicate that social media can play an important role in increasing sales of insurance products for this segment. The task requires a change in the perspective of thinking, thoughtful strategy, and professional action – the insurer who is going to notice it the fastest and at the same time is going to meet this task will be successful on the market.

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