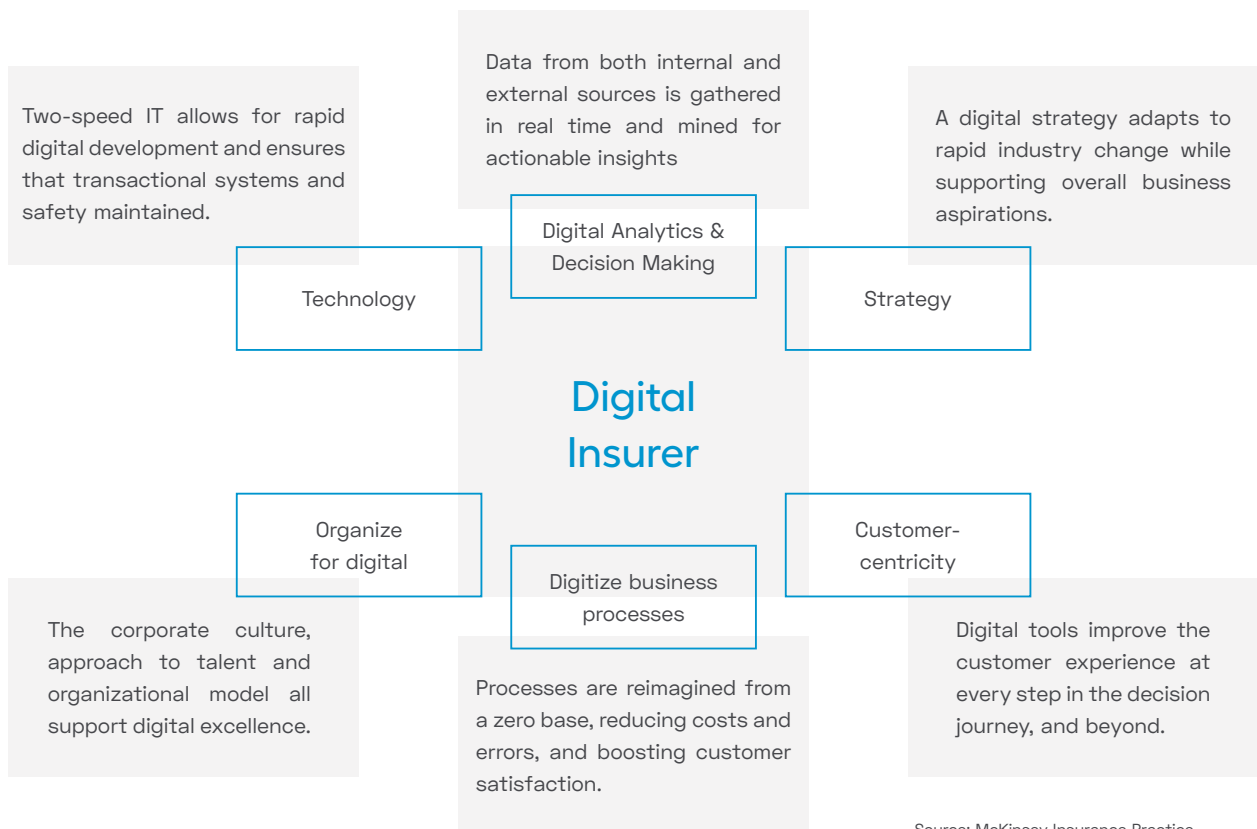![Adapt IQ — The Next Gen Salesforce Partner]

The emergence of digital in SMB insurance

In recent years, insurance providers have been adapting to an increasingly digital business environment. Increased competition between SMB insurance companies is enabled by technology that allows potential customers to thoroughly research insurance options and quickly compare quotes online. In addition, many of the processes that once involved face-to-face or phone contact are now carried out online, which is invariably resulting in increased efficiency for providers, as well as increased convenience for customers. From onboarding new clients, to processing claims, automated renewals and mid-term adjustments, many insurance companies are embracing technology and automation. At its 2020 Brokerfest, Insurance Times identified digitisation as a major trend, and potential challenge, for brokers across all sectors, stating:

"Digitalisation will not only affect internal processes, but every aspect of how brokers work, such as workforce functions and customer expectations. In that sense, it is vital that brokers evolve their business operations to successfully adopt technology in all areas."

The right technology can help you make increase sales, create customer loyalty, enable your staff to work remotely and allow your customers to access your services on the go. According to McKinsey & Company, there are six broad areas insurance providers should be paying attention to, in order to succeed in the digital era.

Two-speed IT allows for rapid digital development and ensures that transactional systems and safety maintained.

Data from both internal and external sources is gathered in real time and mined for actionable insights

A digital strategy adapts to rapid industry change while supporting overall business aspirations.

Technology

Digital Analytics & Decision Making

Strategy

Digital Insurer

Organize for digital

Digitize business processes

Customer-centricity

The corporate culture, approach to talent and organizational model all support digital excellence.

Processes are reimagined from a zero base, reducing costs and errors, and boosting customer satisfaction.

Digital tools improve the customer experience at every step in the decision journey, and beyond.

Source: McKinsey Insurance Practice

adapt-iq.com

By adopting a strong, customer-focused, digital approach in each of these areas, insurance companies can ensure that they are making the most of the opportunities afforded to them in the digital age. Let's take a closer look at some of them.

Digital Analytics

Analysing data from a variety of sources, both internal and external, can result in a wide variety of actionable insights. The customer journey can be complex in the digital age, and many customers are exposed to a brand several times, in several different ways, before making the decision to purchase. Tracking and analysing a customer's online actions can provide valuable insights into the part of the customer experience that happens online, which can be all of it.
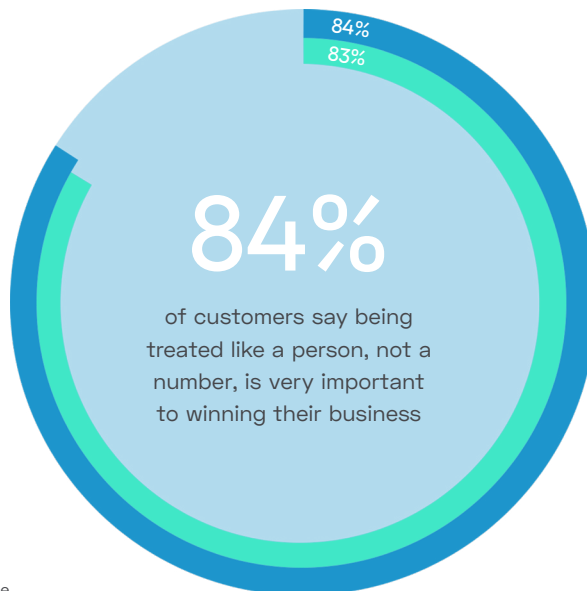
Customers discover brands on social media, via online advertisements, through mentions in online editorial content, and via personalised emails that land in their inbox. Robust analytics can help companies get an idea of the journey the customer took to arrive at the decision to purchase a specific policy, and what the last action was, allowing for more effective and targeted marketing campaigns to be developed in the future.

Customer-Centricity

The personalisation of customer service is becoming more important across all SMB enterprises. Customers expect to receive customer care, offers and product recommendations that are highly relevant to their situation and customised to their needs. It may be counter-intuitive, but digital tracking and automation create a marketing environment where customers perceive the service as more personalised. Customised offers make buyers feel that the company understands them, and sees them as an individual with specific needs. Research indicates that around 84% of customers claim personalisation is an important factor when it comes to purchasing decisions.

Personalization is key to winning business

- **■** Consumers
- **■** Business Buyers

84%
84%
83%

84%
of customers say being treated like a person, not a number, is very important to winning their business
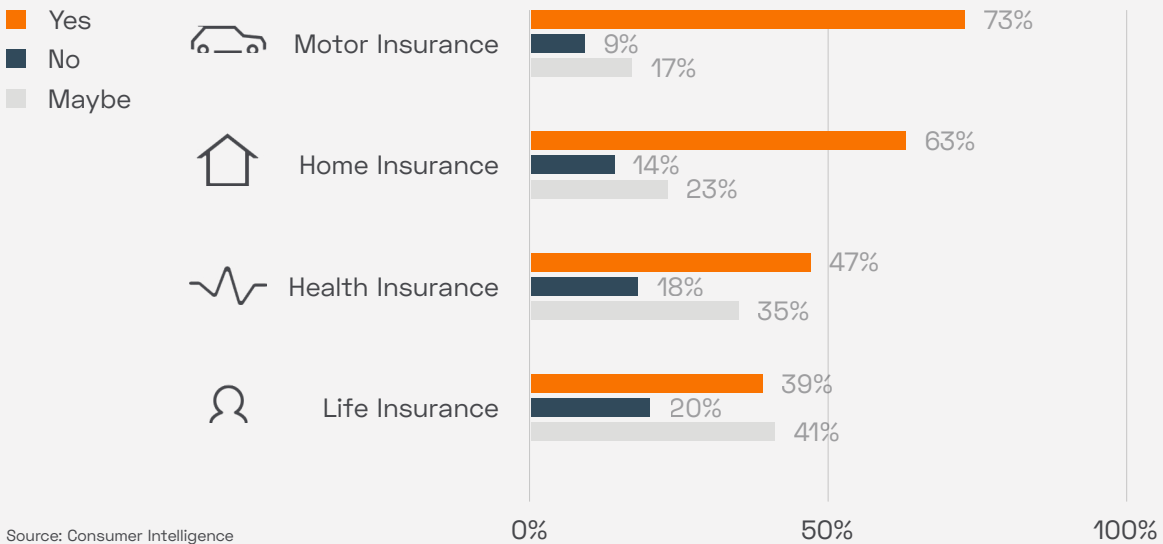
Source: Salesforce

Technology such as Salesforce 360 has been carefully developed to help companies manage customer data across various different channels, presenting customers with a consistent, highly personalised experience everywhere that they encounter a specific brand online. This enables brands to build a stronger relationship with existing and potential customers, by meeting, and even predicting, their needs. Personalised, carefully targeted campaigns meet the customer, or potential customer, in the right place, at the right time. That has a big impact on sales in the digital era, so companies need to utilise technology to tell them when and where that is.

adapt-iq.com

Digitising Business Processes

The right tools and software can be used to digitise and automate everything from quotes and claims, to mid-term adjustments and renewals. Many of the day-to-day processes carried out by insurance companies are fairly easy to digitise. There is, for example, a logical, easily-automated sequence to things like the onboarding process for new customers. Sales and Marketing are also areas where brokers can usually make significant improvements, especially by employing customer analytics to create personalised experiences. According to the Insurance Times Digital Broker Report 68% of brokers claim to be developing communication and marketing to be more digital. While there will always be times, in any business, when customers needs real-world hand-holding, efficiency and effectiveness can be greatly increased by digitising workflow across almost all departments.

Insurance companies going digital

Some sectors of the insurance industry have been quicker to embrace technology than others. Research from a Consumer Intelligence survey of over 1,000 UK insurance customers asked if they had access to an online portal through their insurance providers. The results indicate that digital progress has not been made equally across all sub-verticals.

Legend: Yes (orange), No (dark blue), Maybe (grey)

Sector	Yes	No	Maybe
Motor Insurance	73%	9%	17%
Home Insurance	63%	14%	23%
Health Insurance	47%	18%	35%
Life Insurance	39%	20%	41%

Source: Consumer Intelligence

There are also, understandably, differences in the way technology is used by various sectors of the industry. As insurance companies across the board develop their digital strategies, it is well worth taking a look at how digital technology is being used by different companies across several Insurance sub-verticals.

Health

It's not surprising that within the health insurance sector, mobile apps that track metrics related to health are one technological development we're seeing. The Boost app, created by BUPA, is one such app, providing customers with a way to track their own activity levels, exercise and nutrition habits, while providing BUPA with some very detailed data regarding its customers' health related habits. The data is, of course, anonymised, allowing BUPA to look at trends, but not to attach data to an individual customer. Trust and privacy are vital when it comes to customer data, and as BUPA's Patrick Watt has pointed out:

"If users think the data might be used against them, specifically their premiums, then they will disengage."

Using data appropriately is essential, both to retain customer trust and to comply with relevant laws and guidelines, as we'll cover below.

adapt-iq.com

Travel

The International Travel and Health Insurance Journal recently addressed how technology is transforming the travel insurance sector. It explored how technology is helping to make what was once seen as a 'grudge purchase' into something people now see as an easy, app assisted, step in the travel planning process. As ITIJ writer Lauren Haigh puts it:

"For consumers, the ability to purchase travel insurance via an app or make a claim at the touch of a button, all with support available every step of the way from a friendly and knowledgeable chatbot, makes life easier."

Haigh also quoted Eyal Gluska, co-founder of travel insurance specialist, Setoo, who confirmed the importance of technology when it comes to travel insurance and the customer experience:

"It's through ever-more advanced analytics, machine learning and AI that travel providers can increasingly make their products relevant and appealing to each individual consumer."

Motor

In the field of motor insurance, the popularity of apps and other technologies that monitor driving activity and allow insurance premiums to be more accurately calculated, represent a significant digital advance in the sector. Direct Line, for example, has introduced the DrivePlus app as part of its telematics insurance policy, and drivers under 26 get a discount just for fitting the technology into their car.

Once installed, DrivePlus allows driving activity to be monitored continuously via the app or portal, allowing the company to accurately assess risks and offer the most appropriate policy, premium and add-ons. This can have all sorts of benefits for end-users. During the COVID-19 pandemic, for example, the Direct Line added this caveat on their website:

Many customers are driving their cars less right now. If you have a DrivePlus telematics policy, you don't need to do anything. We'll refund you for any reduced mileage during the Coronavirus lockdown

It's easy to see why this type of technology is attractive to customers as well as providers, using the latest digital advances to offer a flexible, adaptable solution.

Home

In the home insurance sector, one of the USA's most successful start-ups, Lemonade, is now using advanced AI to make its home insurance policies easier to buy, manage and claim on.

As Lemonade points out, the AI App means it will take 90 seconds to get insured and three minutes to get paid, in the event of a claim. But the benefits aren't just for the customers. The AI has various functions that benefit the company, including running 18 anti-fraud algorithms. It is also at the heart of the firm's high-automation strategy, that allows them to operate with an incredibly efficient customer to staff ratio.

Multi-product brokers

Towergate insurance has also shared some insight into the digitisation of its business, as a broker offering multiple products across different sectors. The recent enhancement of their website focused specifically on improving sales conversions and customer journeys. Towergate has shared how it went about this, mapping existing journeys using analytics data and heat-mapping across the site, mining all-important data that gives insights into how customers browse, research, and ultimately make purchasing decisions. The site is still being developed, and Towergate is already engaged in user testing to see what else needs to be implemented. This is perhaps the most fundamental part of digitisation, developing a website that works for customers, while constantly mapping and responding to consumer behaviour on that website.

Compliance issues

Whenever we discuss technology and data collection, compliance issues are not far behind. Collecting, storing and using customer data can be a minefield for any company, and no broker can afford to breach GDPR, FCA compliance regulations, or privacy laws. This is another area where the right software can do at least some of the work for you.

Salesforce creates software solutions that collect, encrypt and store data securely. Data from UK companies is securely stored at two different data centre locations within the UK, and the company maintains a transparent and comprehensive set of compliance certifications to ensure that customers stay compliant across a range of jurisdictions. Most insurance SMBs are going to find that working with software solutions, with compliance features built-in, is going to be the way forward when it comes to transitioning to wholly digital systems and workflows.

As the number of insurance companies embracing the digital age continues to rise, many are already experiencing the benefits of the increased insight, efficiency and effectiveness that digital tools provide. Perhaps more importantly, in terms of attracting and retaining customers, the right digital tools can make the customer journey shorter and more enjoyable, and the customer experience better and more convenient, in every area.

What customers want now is quick, efficient shopping, policy selection, onboarding, and claim processing, along with a personalised service that makes them feel like a valued customer, not just a name on a list. Those companies who embrace new technologies are invariably those who are able to deliver the customer experience that today's expect.

adapt-iq.com

Adapt IQ
The Next Gen Salesforce Partner