



salesforce

## *Essential Guides*

# *Creating* **CONNECTED INSURERS**



HOW GENERAL INSURANCE PROVIDERS CAN CREATE  
EFFORTLESS DIGITAL EXPERIENCES FOR ALL, AS THEY  
TRANSFORM FOR THE AGE OF THE CUSTOMER.

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## CHAPTER 1

# DIGITAL ASSURES YOUR FUTURE

Digital change is accelerating. It is creating a smarter world in which everyone, and everything, is connected: mobile and social technology, with cloud and Internet of Things connectivity, will soon connect billions of devices, sensors, processes, and people.

The digital world is bringing enormous opportunity, as well as challenge. Telematics and autonomous vehicles will alter the world of auto insurance, IoT offers connected insight from devices and new understanding of consumer behaviour, and big data and Artificial Intelligence could transform risk models and create new value in process automation and decision-support.

However, digital is also changing the culture of choice. Consumers increasingly want direct answers, more value from providers, desire service on the channel they choose and seek information on demand. This shift can only increase with the rise of the millennial generation.

It is the age of the customer, and it is transforming every industry, including insurance. Consumers are embracing power and control. Insurtech disruptors are emerging to meet their needs, and encroaching on your markets. Entrants are using cloud, social and mobile technology to build digital-first insurance and intermediary services, with new models, such as peer-to-peer insurance. They are creating direct, familiar relationships with your property, car, pet and other general insurance consumers – with whom you deal only sporadically.

Meanwhile, the whole insurance value chain is impacted by regulation and macro-economics. Regulation has overturned how insurance is sold, and now seeks to increase consumer protection and assure compliant behaviours. Brexit continues to create uncertainty that risk-averse insurers find unsettling, while household incomes are increasingly constrained, impacting pricing potential for all types of general insurance.

“In an industry that has generally been famous for its resistance to change, InsurTech is creating waves that can no more be ignored”

**Capgemini, World Insurance Report 2017**

Investing for the future, despite all the pressures, seems vital – but it is an additional economic burden. Yet, it could unlock the innovation and flexibility this traditional industry needs – and be a route to managing down the high cost of its legacy IT which, despite much development and patching for compliance, is not flexible enough to cope with ongoing, inevitable, change.

Insurers are recognising that digital transformation is no longer optional. It is the key to assuring the future, by transforming efficiency, driving revenue, and mitigating disruptive threats.

***You must take action soon, or risk falling behind – but where do you start?***

## CHAPTER 2

# BECOME A TRAILBLAZER

Becoming a connected digital insurer means re-imagining your business from every perspective – how you connect with customers, empower your employees, automate the back office, and build relationships with distribution partners, such as brokers and comparison portals.

Insurers rarely find innovation easy, yet you must find new ways to learn about rapidly changing customers, to engage, sell, service and then retain them year-on-year. Traditional annual policy renewal can't be relied upon in the digital world of choice and competition.

Information will take on a new role. Making customer and prospect data accessible, meaningful and actionable will enable success in sales, service and retention as you connect that information to the people, places and processes that need it.

Doing so will require new agility in your IT architecture, overcoming legacy limitations of data silos and process-centric models. This means moving on from a view of IT based solely around traditional systems of record. Instead, it needs a System of Engagement across your business to support every stage of the customer lifecycle. Only cloud can allow you to build such agility.

Get this right, and it will make you smarter, and help you innovate. You can stand up to traditional and new rivals, and offer online services, engagement platforms and apps that delight current customers and millennials. Get it wrong, and you may cease to compete, fall victim to disruption, and see established competitors transform and pull ahead.

***In the next few pages you will find six fundamental areas of focus to address as you transform into a connected digital insurer.***

## TRAILBLAZERS IN INSURANCE WILL CONNECT THEIR BUSINESS TO:

- Deliver smarter services by creating a frictionless and seamless servicing omni-channel experience across the journey of engagement
- Hold smarter conversations that differentiate you from the competition and help brokers and agents form true 1:1 relationships with customers
- Make sales more predictable by leveraging every digital advantage and data source to identify, target and convert opportunities
- Create better broker relationships by empowering everyone – internal agents, partners, and customers – to engage collaboratively to enhance every interaction
- Drive operational efficiency and overcome legacy system and silo challenges by connecting data and processes so they are easier to manage and help you assure service levels



# #1 DELIVERING SMARTER SERVICES

While price will always be a factor for consumers in choosing an insurer for essential policies, in an increasingly competitive, noisy and disruptive digital world, service is one of the only ways that insurance brands can truly differentiate. Customers now know they have the power to choose and change provider, based on the service they receive – and are less loyal than ever. Superb service is now vital, whether providing a one-week travel policy, or high value bundled cover.

For customers, interacting with insurers can seem a huge effort. Fragmented experiences, difficulties in contacting a company for a claim or query, and a need to repeatedly identify themselves and repeat queries, are real bug-bears. Everything takes too long. Delivering great service on every channel is becoming a competitive essential, and moving to a mobile-first approach will become important in 2018, with Google's mobile-first index arriving soon.

Internal service frustrations abound too, when customers choose high-cost channels by default, and in dealing with onerous, paper-bound process. Resolving these, or customer frustrations, are hampered by costly, inflexible systems of record, bought to support specific needs, or inherited through merger or acquisition. They cannot easily connect information, people, or service processes across the business. They hamper innovation, create gaps in the conversation, make information harder to find, and make personalisation at scale impossible.

## DIGITAL INSURERS WHO MAKE SERVICE A PRIORITY WILL BE ABLE TO:

- Get smarter about capturing information and signals about consumer prospects and policyholders, to understand their needs, and personalise their experiences
- Offer self-directed services enabling customers to find answers faster and address their service issues
- Utilise predictive analytics and machine learning to deliver personalisation at scale, augment self-service offerings, and empower service agents by helping them anticipate customer needs

“Driven by the steady advance of consumer technology and evolving customer expectations, digital technology, once a peripheral enabler, is now central to insurers’ strategies”

Capgemini, World Insurance Report 2017

## #2 HOLDING SMART CONVERSATIONS

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Engaging in direct dialogue and smart conversations with customers hugely enhances the overall customer experience and it is crucial to help you differentiate from the competition and keep customers. In the past, almost half of all retail insurance customers have little or no contact with their insurers over the course of a year. Yet those which employ a smart mix of in-person and digital interactions can significantly influence loyalty .

Insurers should focus efforts on connecting better no matter where or when interactions with consumers happen – during the sales process, while delivering services and handling claims, in all their marketing activities or by creating customer apps that enhance the service experience.

The goal must be to create relationships that can endure beyond a single policy purchase and into multi-year, or multi-product, sales. By understanding when to suggest new products to which customer you can significantly increase the lifetime value of each one and, importantly, encourage recommendations to engage word-of-mouth marketing into their personal networks of family members, friends and colleagues.

### **BY BUILDING YOUR UNDERSTANDING OF EVERY CUSTOMER AT EVERY POSSIBLE OPPORTUNITY, YOU CAN:**

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- Create real 1:1 relationships through tailored customer journeys which are built around the preferences and behaviours of the individual
- Deliver real-time responses to customers ‘in the moment’, at the time they want - whether that is online, via a mobile app, or on a social platform
- Enable seamless multi-channel engagement with personalised messaging that drives loyalty, reduces churn, and drives up net promoter scores
- Gain contextual understanding of customers to prompt service and marketing actions that target renewals, upgrades and additional products based on lifestyle factors

“Customers who are loyal promoters of their insurers stay longer, buy more, recommend the company to friends and family, and usually cost less to serve”

Bain & Co., Customer Behaviour and Loyalty in Insurance 2016

## #3 MAKING SALES

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In a fast-moving digital world of decreasing loyalty and increasing competition, you must grasp every digital advantage to identify opportunity, target, and convert new and repeat policy sales. It can not only drive revenue, but help to reduce cost of acquisition by enabling you to connect sales and marketing seamlessly and automate marketing operations.

The same qualities that you are building elsewhere apply in the sales process: omni-channel engagement and personalisation are key, and plays a key role in delivering a great customer experience from the start, as you capture and nurture leads before commencing new customer relationships.

Data is never in short supply in a digital environment, which offers more opportunities than ever before to monitor sales and marketing performance in real time, analyse information, and forecast to help you plan for continuous improvement.

### THE OPPORTUNITIES TO TRANSFORM SALES ACTIVITIES INCLUDE:

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- Respond to prospect or customer needs through efficient lead capture, as you track them across channels even before their first interactions, then connect these insights seamlessly into new customer records
- Automate 1:1 communications to deliver relevant content to customers and keep partners informed; drive seamless automated onboarding, engagement and retention journeys
- Real-time targeting of relevant and personalised display advertising on web, mobile apps, social and search, driven by first part data
- Create tools and forms for lead capture and central storage, via apps, websites, contact centre or for distribution partner use.
- Gain insight into sales performance metrics, both direct and through the distribution network, to monitor and improve conversion rates and other KPIs
- Empower contact centre personnel with a 360-degree view of policyholders with contextual insights to make smart, relevant, personalised cross-sell and up-sell offers

## #4 BETTER BROKER RELATIONSHIPS

General insurers have a high reliance on brokers, aggregators and other intermediaries to help drive volume policy sales. The centre of gravity for general insurance purchasing has already shifted online, and digital aggregators and comparison portals, especially, continue to grow in importance – so much so, that many insurers are considering how to gain a slice of this lucrative market themselves. Others are focusing on sub-brand strategies to maximise their presence on such sites.

As you consider how to become a more connected, digital insurance business, it will be important not only to refocus distribution partners and agents on the areas that deliver most value, but create deeper and better relationships that enable you to grasp evolving opportunity, boost loyalty, and stay front of mind with those on whom sales success often relies. Doing so can not only boost revenue, but optimise processes, reduce costs, and drive efficiency through automation, self-service and greater accuracy of information.

Managing distribution networks well in future for competitive advantage will require better insights on performance in real time, and more proactive relationship management. Digital platforms offer opportunities to serve up information faster, enable agents to access tools and product information, and engage your partners through better service and communication.

### OPPORTUNITIES PRESENTED INCLUDE THE ABILITY TO:

- Unify a wealth of real-time data on broker performance and make it easily accessible for relationship managers and product owners, to inform decisions to drive improvement or prompt actions to resolve issues
- Deliver 24/7 access to product and pricing information and partner tools via portals or custom apps that they can access quickly and easily during customer interactions
- Deliver bespoke marketing content to the specific broker's book of business, drive strategic sales priorities and enable cross-selling

**57%** of insurers are considering setting up their own aggregator businesses

Accenture



## #5 DRIVING OPERATIONAL EFFICIENCY

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Today's insurance business economics mean that insurers must make efforts to deliver not just quality of service, but make them frictionless for all involved if they wish to drive time and cost efficiencies and thus boost profitability.

Shifting consumer habits and demands can impede efforts to increase efficiency and maintain service levels. It means managing internal processes better as interactions everywhere become more frequent, more digital, over a greater number of channels.

Legacy systems, siloed product data, and a complex architecture comprising multiple systems of record make current systems expensive. It is critical to augment these to make these easier to manage, leverage information better, and assure service levels.

Efficiency efforts must drive broad benefits to sustain service while managing costs: to not just make processes more efficient for the organisation, but smooth interactions for prospects and policyholders, while making routine tasks and activities easier for employees.

### **INSURERS WILL BE ABLE TO TRANSFORM MANY AREAS OF OPERATIONS, INCLUDING THE ABILITY TO:**

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- Use technology to refine and connect processes and make data accessible, rather than simply automate inefficient processes
- Assist employees to deliver services via contact centres that leverage automation for case classification, recommendation, intelligent routing and next-best actions
- Empower customers with better, faster information and support through best answer prediction, case deflection, recommended articles and automated responses
- Manage customer lifecycles to maximise retention and minimise churn via predictive CSAT scoring, automated cross-selling and up-selling, and next best offers

**61%** of insurers plan to increase their investment in digital technologies and channels

Accenture

## #6 INTERNET OF THINGS (IOT)

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By 2020, Gartner estimates that approximately 21 billion Internet of Things devices will be connected. Along with other digital technology, it is clear that IoT has the potential to transform several areas of insurance. Sensors and hubs are already proliferating in homes, via home energy networks, the home security industry, and intelligent personal assistants such as Amazon's Alexa, which could revolutionise home and property insurance. Telematics data streams offer vast potential to monitor driver behaviour and stream information to inform AI enabled predictive models. Personal fitness and health trackers are appearing on the wrists of young and old alike, with the potential to inform many aspects of health insurance.

The opportunity for insurance is limited only by the imagination, because sensors could potentially be used in so many ways and are being explored by every industry. Consumers and businesses are becoming used to the idea that their lives will become more transparent and comfort levels with sharing information are already high with millennial generation, and rising for older ones. The information that they will provide to insurers will be invaluable.

Managing the flow of data, making it meaningful and eliciting actionable insights will become a significant challenge, as well as an enormous opportunity.

### DIGITAL CONNECTED INSURERS WHO LEVERAGE IOT WILL BE ABLE TO:

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- Utilise artificial intelligence and advanced analytics to predict behaviour and analyse risk on a more personalised level
- Move from historic analysis to preventative action via active healthcare and security monitoring in the connected home
- Develop responsive insurance products and pricing models that can adapt in real-time to customer activities and behaviours, such as car insurance that applies only when a driver is behind the wheel.
- Provide claims advisors and adjusters with rich, meaningful information with which to support claims processing and decision-making

“Links between insurers' IT systems, customers' smartphones and connected devices in cars, homes and workplaces now enable more product and service innovations, not just a convenient channel to interact thorough”

Bain & Co., Customer Behaviour and Loyalty in Insurance 2016

## CHAPTER 3

# DRIVING INSURANCE CUSTOMER SUCCESS

Salesforce has a proven track record of customer success that includes some of the very largest companies in the global insurance business. We are actively helping insurers across many lines of business such as general insurance, life and pensions, re-insurance, and support major brokers as well. Insurance has always been a very important aspect of our financial services capability that spans banking, wealth and asset management, and capital markets. Salesforce further committed to driving customer success in these industries with the creation of Financial Services Cloud in 2016.

Built on the world's #1 CRM platform, Financial Services Cloud enables financial services firms to unify the customer experience across channels, geographies, and both consumer and commercial lines of business. With purpose-built industry functionality and all the capabilities of Sales and Service Cloud, financial services firms can unlock unprecedented customer loyalty and achieve value faster than ever before.

Financial Services Cloud delivers agility for the insurance industry by enhancing existing legacy systems and complementing business processes with highly secure, scalable cloud capabilities that can be configured rapidly to your exact requirements. Customer service reps and agents will gain a better understanding of their policyholders so that they can connect with them at the right time on any channel. Capabilities are further augmented via our ecosystem of ISV partners on the AppExchange.

Success in financial markets has helped us become the world's 4th largest software company, with revenues in excess of \$10 billion – but we have remained agile. We always feature on the Forbes list of the world's most innovative companies: named as Innovator of the Decade in 2016, and the world #1 in 2017. It is all down to the success that we share with our customers.

**+38%**

productivity increase\*

**+147%**

return on investment\*\*

**+46%**

faster collaboration\*

**+41%**

faster decision-making\*

\* 2017 Financial Services Customer Success Metrics

\*\* Nucleus Research: Salesforce Trilogy Financial ROI Case Study



# DISCOVER HOW SALESFORCE COULD HELP YOU BECOME A CONNECTED INSURER

FOR MORE DETAILS, CONTACT THE TEAM TODAY AT  
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OR VISIT OUR WEBSITE

<https://www.salesforce.com/uk/solutions/industries/financial-services/insurance/>



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