





Sales force effectiveness in the insurance industry and the impact of the digital transition

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Insurers should embrace new technologies to differentiate themselves in the digital arena

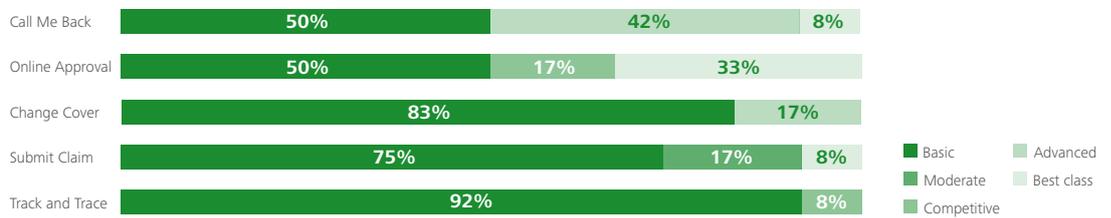
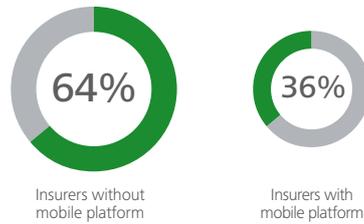
A recent digital benchmark on Dutch insurance companies showed that insurance made good progress in supporting basic internet sales and service transactions and plugging into social networks. Most insurers however struggle with their mobile capabilities as only a few offer more than basic functionalities in the areas of claim notification.

36% of surveyed insurers offer a partly mobile website experience, and most apps focus only on claim submission

Research from the benchmark shows that insurance presence in the mobile world, through mobile websites and apps, is limited and the functionalities currently offered are very basic.

When looking at mobile accessibility, only 36% of the insurers surveyed offer a (partly) mobile website experience. Features provided on the mobile websites of insurers are limited, once again focusing on effective sales (calculations, acceptance) rather than supporting self-service for policy management and claims. Only a few insurers let customers manage their policies through the mobile website.

Moreover, the Track & Trace of claims is hardly supported. This is the biggest difference compared with the best practices of international insurers. Less than 10% of the Dutch insurers in our data set provide Track & Trace functionality through their mobile websites versus more than 40% of international insurers. Health insurers such as Humana, Kaiser and Aetna, provide the option to submit claims bills through their mobile website with advanced Track & Trace capabilities.



With the accelerated adoption rates of new technologies by consumers, insurance companies need to speed up in increasing their digital capabilities to continue to meet the constantly increasing needs of online and especially mobile insurance consumers. However, quickly replicating internet capabilities to mobile will be costly and most likely have low chances of success as it will only create limited differentiation compared with other insurers. Successful use of mobile in an insurance context requires more creativity to deal with the typical low interaction rate between insurers and consumers.

The digital economy is here to stay. Whereas the world today has 6.7 billion mobile phone users, 2.7 billion internet users and 1.7 billion social media users, by 2017 these numbers will have grown to 8 billion mobile phone users (1.2 for every human), 3.3 billion internet users and 2.5 billion social media users. In our countries,

with internet usage already high, the strongest growth is expected in smartphones and tablets. The increased use of these devices and the willingness to rapidly adopt new technologies by consumers will be a catalyst for the development of new functionalities at phenomenal speed. Digital disruption in the insurance value chain is therefore not a possibility, it is a certainty. Insurers should not deny this new reality but should embrace the opportunities these new digital technologies have to offer. In this way, new areas of differentiation in the strongly commoditised and price competition dominated environment can be created. Adopting trends like gamification, telematics and the internet of things offer opportunities to create truly differentiating value propositions, which will enable insurers to regain customer loyalty and at the same time increase profitability. Deloitte is currently helping a major Belgian insurance company in this transition.

Deloitte is helping one of the biggest Belgian insurance companies with their digital transition by implementing Salesforce.com and developing a mobile app for their customers

This Belgian insurer decided to transform their customer relationship management to follow changes in consumer habits and the technological environment. The insurer is now using Salesforce.com as their CRM engine, it has improved customer visibility and enhanced reporting capabilities. Through Chatter—The Salesforce.com collaboration platform—and a mobile access to the platform, it has also enabled effective internal collaboration and communication leading to operational excellence and cost reduction. Similarly, the insurer recently developed a mobile application allowing their customers to execute their car accident report from their smartphone.

With the above-mentioned innovation, this Belgian insurer has taken a big step on its journey to digital customer interaction and will likely benefit from it in the coming years.

Insurers that have the vision, courage and endurance to take a step forward in the digital arena will be the ones that will truly reap the benefits of the digital megatrend, before others (such as aggregators or Google) take ownership of the majority of customers' digital touchpoints.

