

Acquia
EXPERIENCE DIGITAL FREEDOM

INDUSTRY RUNDOWN: INSURANCE

**USING A UNIFIED VIEW OF YOUR CUSTOMER
FOR SMARTER PERSONALIZATION**



IN A CHALLENGING TIME, LOOK FOR OPPORTUNITIES

The insurance industry has been undergoing significant disruption and change for quite some time. The pandemic and growing economic uncertainty have only made the tumult worse.

As [Deloitte](#) explains, “The insurance industry stands on the precipice of profound change. And this disruption is not just digital. Demanding customers, new competitors and a changing set of challenges are transforming the industry. Consumer expectations are shifting as they apply their experience of other sectors — particularly online retail — to insurance. The arrival of more nimble competitors, either in the form of InsurTech platforms or technology giants, is increasing the pressure on incumbent insurers. Meanwhile, moves toward a more service-driven business model may prove challenging for traditional firms.”

However, these conditions also give insurers the opportunity to leverage data in order to provide a more personalized, retail-like experience.

[Comparecamp.com](#) states that “Ultimately, [insurance companies] who can effectively interpret the data they collect are the ones who can get ahead of the competition. With the right data, insurers can offer personalized products, cheaper premiums and better coverage to their clients while keeping their loss ratios at a minimum.”

The key to success and competitive advantage is leveraging data to deliver a customer-centric, highly personalized approach to attract and retain customers.



TRENDING NOW IN INSURANCE

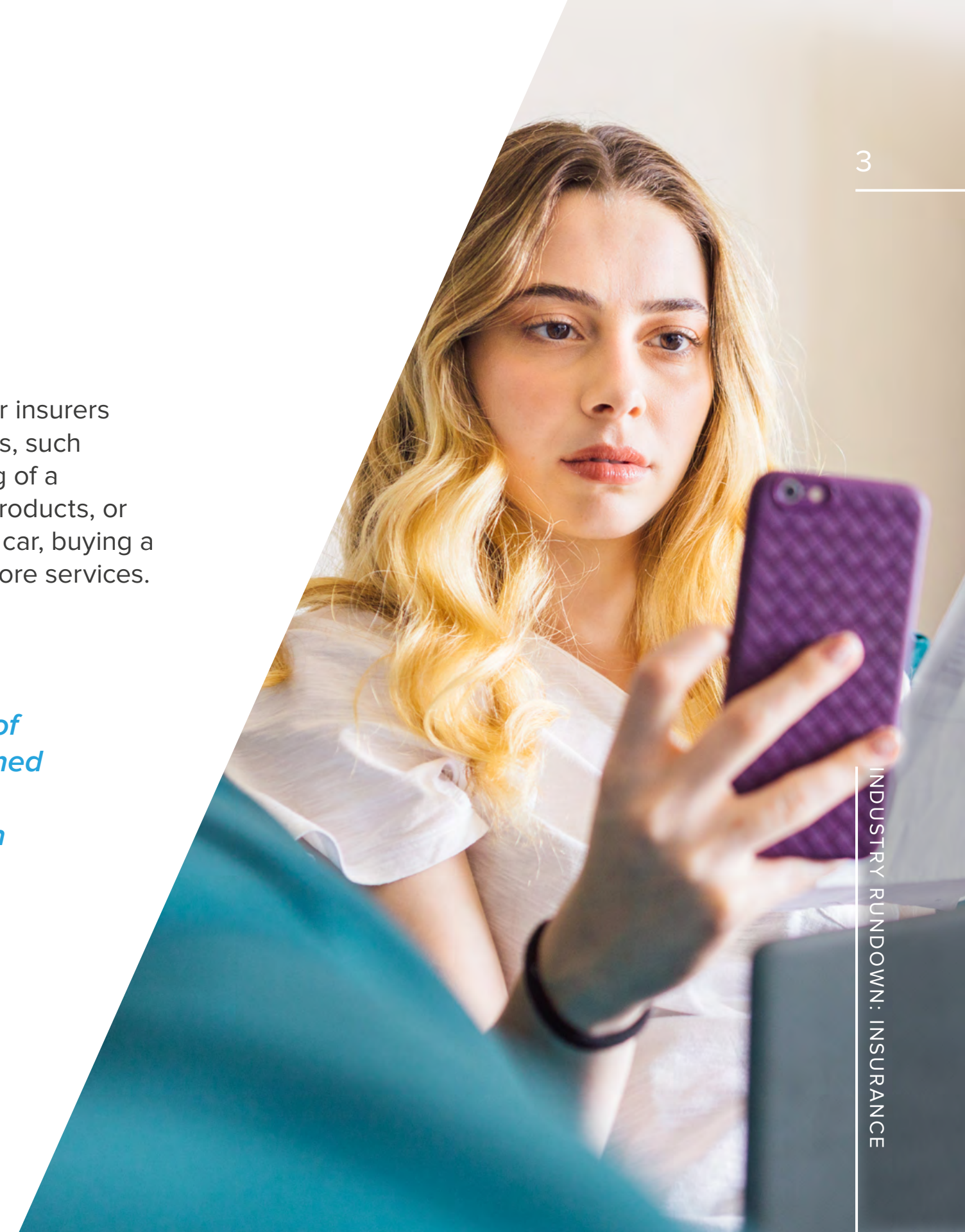
The insurance industry is facing dramatic changes in both demographics and customer expectations. Millennials have overtaken baby boomers as the largest population group in the U.S. This generation has different expectations and spending habits. They are well-informed, tech-savvy and prefer to engage on digital platforms. Customers of all ages now demand personalized products and services, as well as more efficient processes. They now expect the types of digital experiences they receive from other industries, particularly retail.

The good news is that a survey from [BCG and Morgan Stanley](#) showed that customers are willing to provide their personal data in exchange for more affordable insurance coverage. To capitalize on that willingness, insurers must be ready to capture and leverage the massive amounts of consumer data available to them, and use that data to customize their offerings and manage risk.

There is tremendous opportunity for insurers to leverage data to meet critical KPIs, such as employing a deep understanding of a policyholder to cross-sell multiple products, or leveraging life events, like buying a car, buying a house or having a baby, to upsell more services.

“*To live up to the expectations of this tech-savvy and well-informed customer base, insurers must learn to leverage technology in order to develop personalized products tailored to their customer’s lifestyle.*”

COMPARECAMP.COM



THE PROBLEMS FACING INSURANCE: BARRIERS TO GROWTH

New, more nimble competitors are increasing pressure on incumbents and threatening the legacy business.

Traditional carriers are forging alliances with startups, aligning with InsurTech to transform operations and consolidating with peers to reach new customers, reduce costs and improve business efficiencies.

New alliances, mergers and acquisitions will expand reach to new customers. But that expansion will spread data across disparate and, possibly, legacy systems, making it difficult to develop a single unified view of the customer.

Forrester has advised companies who are or want to be in growth mode after the pandemic to increase spending on customer data management by 10% and use modeling to identify the “best” customers for acquisition targeting. They also encourage increasing spending on customer analytics by 10%, employing unstructured data analysis to identify opportunities for differentiation and investing in insight-driven products and experiences.

Incumbent firms can no longer rely on organic growth or internal innovation. The winners will be those that forge alliances with innovative startups, ally with InsurTech and consolidate with their peers. ”

DELOITTE

LAND OF OPPORTUNITY: A BOOM IN CONNECTED DEVICES

As with every other industry, insurance can capitalize on the huge technology shift. Every day, billions of smart devices connect to the internet, including smartphones and tablets, wearable devices and even industrial sensors.

Companies with the right systems in place can use data from these endpoints, as well as from social media and other sources, to better understand their customers and offer personalized products and services based on an individual's needs and behaviors.

For example, insurers can use telematics in cars and IoT devices in buildings to provide usage-based coverage based on behaviors and activity. This can deliver lower, more accurate pricing for consumers and better risk management for insurers. And, IoT-enabled wearables and fitness devices can deliver health-related data to insurers that can be used to offer personalized premiums based on healthy habits.

HERE'S HOW TO MAKE THE MOST OF IT:

Insurers who can not only capture, but analyze and understand the data, can offer personalized products, services and value-driving communications to stay ahead of the competition.



“By 2025, it's estimated that the number of connected smart devices will have reached more than 50 billion. For insurers, this means more opportunities to interact with customers, improve underwriting and fraud detection, and streamline work processes.”

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THE IMPACT OF THE PANDEMIC ON CONSUMER BEHAVIOR


The COVID-19 pandemic has had a potentially long-lasting effect on consumer spending.

Financial pressures are driving difficult market conditions; many consumers are more mindful of how they spend their money.

Consumers know they have choice, and they will shop around. Relationship-building and loyalty can be challenging as consumers can now research, compare options and pricing, and buy online. Insurers should view these transformations as an opportunity.

HERE'S HOW:

Maintain customer loyalty and move away from simply competing on price by leveraging data and analytics to understand customers. Use personalized services to attract new customers and reward those who choose to stay.



“With a reported loss of up to \$80 billion due to the COVID-19 pandemic, insurers and insureds alike need to brace for hard market conditions — less growth, steeper rate increases, a smaller number of carriers in the market and more limits on coverage.”

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CHALLENGES: CATCHING UP WITH TECHNOLOGY

The insurance industry as a whole trails behind other sectors in keeping pace with technological change and transforming business models.



New players have an advantage as they can develop digital-first architectures and cloud infrastructures. Large technology companies such as Amazon, Google and Apple have set a high bar for digital experiences. Customers have now come to expect the same types of experiences from companies of all types — including insurers, banks and other financial providers.

However, according to [McKinsey](#), nine out of 10 insurance companies say they are struggling to develop the technology infrastructure that they need, blaming legacy software and the sheer magnitude of their IT systems. Complex, outdated legacy systems are siloed, with little data integration. As a result, customer information is not easily shared, resulting in the lack of a single, end-to-end view of a consumer that includes their behavior and preferences, and where they are in their journey.





EXPONENTIAL EXPLOSION IN DATA

The Internet of Things has already spawned a wide range of smart devices that can enable insurers to better serve their customers.

With new alliances, mergers and acquisitions, and multiple distribution channels, this data becomes even more dispersed.

Managing, storing and securing this data will present new challenges to IT teams.

And, as strategic alliances and M&As continue to increase, teams must be able to translate and leverage these massive amounts of data across systems, networks and endpoints to create a unified view of customers and prospects.

New technologies will become even more vital to making sense of the data and utilizing it to personalize the customer experience with the right offer at the right time in the customer journey.

“*Ultimately, customers who can effectively interpret the data they collect are the ones who can get ahead of the competition. With the right data, insurers can offer personalized products, cheaper premiums and better coverage to their clients while keeping their loss ratios at a minimum.*”

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KEYS TO SUCCESS

Insurers have to figure out how to offer customers products and services that are relevant to them at a time when they need them. ”

ANDY MASTERS,
PARTNER, DELOITTE

To compete in the ever-changing landscape of insurance, you have to have your priorities straight. Here are some of the most important ways for companies to seize on new opportunities and drive results.

1***DATA-DRIVEN
MARKETING STRATEGY***

Driven by a powerful digital platform to translate massive volumes of data across vast networks and touchpoints

2***CUSTOMER-CENTRIC
VIEW***

360-degree omnichannel strategy to meet customer expectations of a personalized, retail-like experience

3***MEET CUSTOMERS
WHERE THEY ARE***

Deep insights to understand customer behavior and sentiments to place targeted offers at the right time in their journey

GET IT ALL IN ONE PLACE: ACQUIA CDP

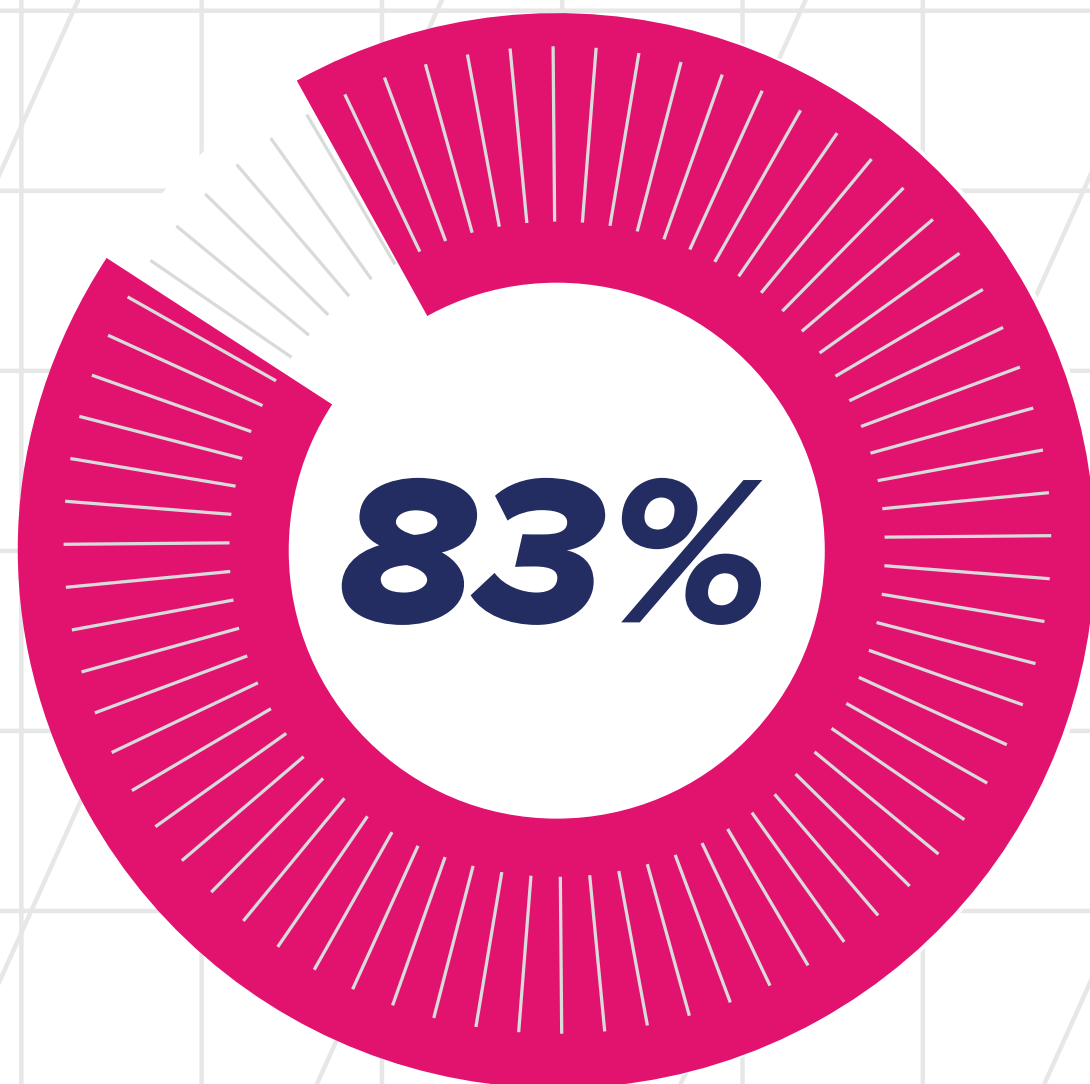
Insurance companies need to gain and retain ownership of the customer experience by delivering meaningful and personalized customer experiences. This can be challenging — if not impossible — with siloed data across disparate systems and ever-expanding touchpoints.

With a customer data platform (CDP), insurance companies can unify all customer data for deep, holistic views of their customers. New platforms and machine learning enable deeper insights into customer behaviors and preferences. Marketers can deliver targeted, relevant offerings at the right time on the devices that consumers prefer.

With Acquia CDP insurers can:

- ✓ Improve customer acquisition
- ✓ Improve retention and loyalty
- ✓ Increase lifetime value and profitability
- ✓ Grow market share

Find out everything you need to know with our “Customer Data Platforms 101” eBook.



83% of marketers say that their customer data lives in unconnected silos, with data from different channels and systems stored in separate servers, clouds and databases scattered across multiple departments.

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ABOUT ACQUIA

Acquia is the open digital experience platform that enables organizations to build, host, analyze and communicate with their customers at scale through websites and digital applications. As the trusted open source leader, we use adaptive intelligence to produce better business outcomes for CX leaders.

