

# Sector Snapshot: Insurance

A quick overview of some of the standout insurance sector findings taken from the broader 'Communication Cut-through - Voice of the Consumer' report

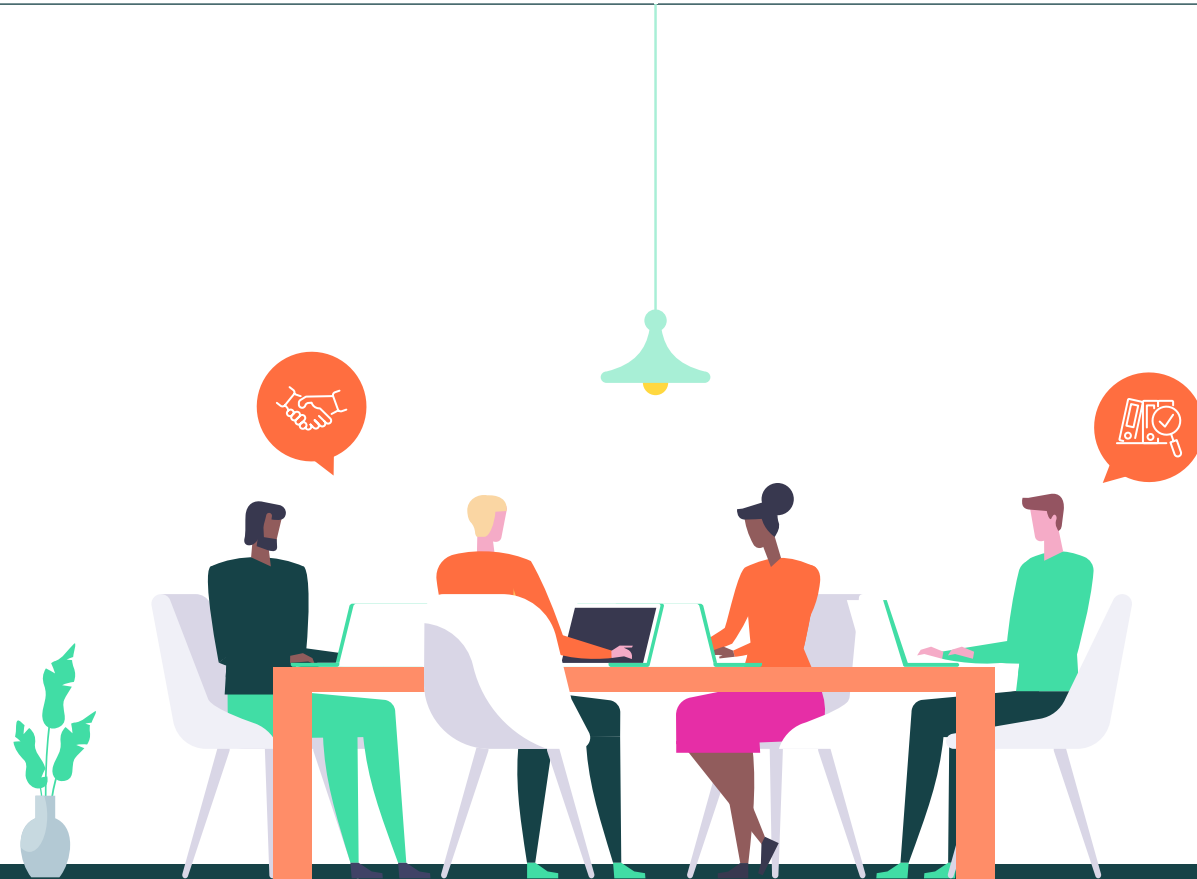




# Introduction

The insurance sector is commonly viewed by analysts as risk averse and slow to change – a sector that remains heavily reliant on paper and people. But transforming outdated legacy processes is no longer optional in today's highly competitive, consumer-centric landscape. Leading players know this, and significant progress has been made to reduce the paper overflow, to expedite processes and to drive message clarity – particularly important when customers hold multiple products and engage across both paper and online. But how does the sector fare in the eyes of the end consumer?

Our survey of 2000 UK consumers presents some relevant and timely answers.



## Methodology

Adare SEC commissioned independent market research specialist Vanson Bourne to undertake the research upon which these findings are based. A total of 2,000 consumers were interviewed in November and December 2022, in the UK. Respondents had to be aged 18 or over and the sample was nationally representative by age and gender.

This snapshot summary presents a sample of the findings relevant to the insurance sector. The interviews were conducted online and were undertaken using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate. Unless otherwise indicated, the results discussed are based on the total sample.

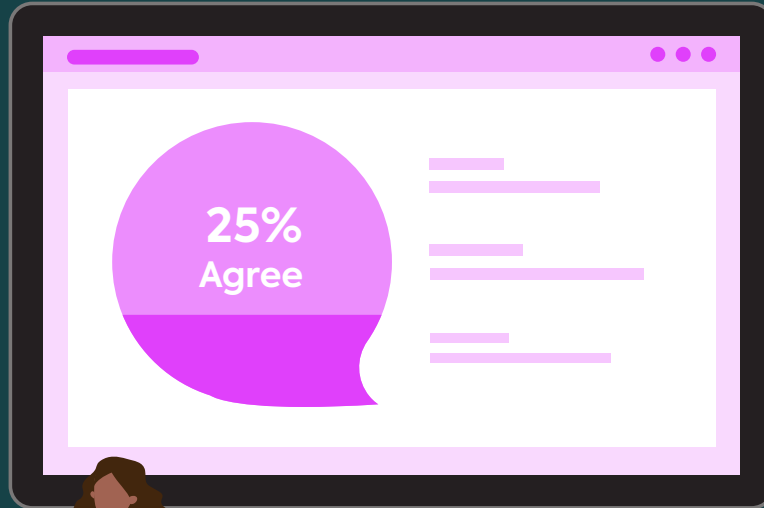


# Satisfaction guaranteed?

Insurance is not like any other product. It is something people feel they are obliged to have rather than something that is desired. Additionally, when interactions do take place, they often have negative associations – perhaps a complex and timely claims process or renewing a policy and having to pay more.

Arguably, customer experience matters more here. In fact, many insurance businesses are driving a concerted customer experience agenda through initiatives such as car tracking or the sharing of dog-walking routes – added value services that enhance perception and strengthen loyalty. Message delivery and response also plays a key role in customer satisfaction. So what's the current picture?

**Q:** My insurance company provides me with good, quick answers to my queries



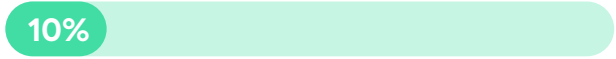
When presented with a list of agree/disagree statements relating to the sector, only a quarter (25%) of respondents agreed that queries were answered rapidly.



Similarly, when asked to comment on the look and feel of communications from the sector, only 10% of respondents agreed that insurance communications were intelligently personalised.

**Q:** Communications from my insurance provider are intelligently personalised to me

✓ Agree

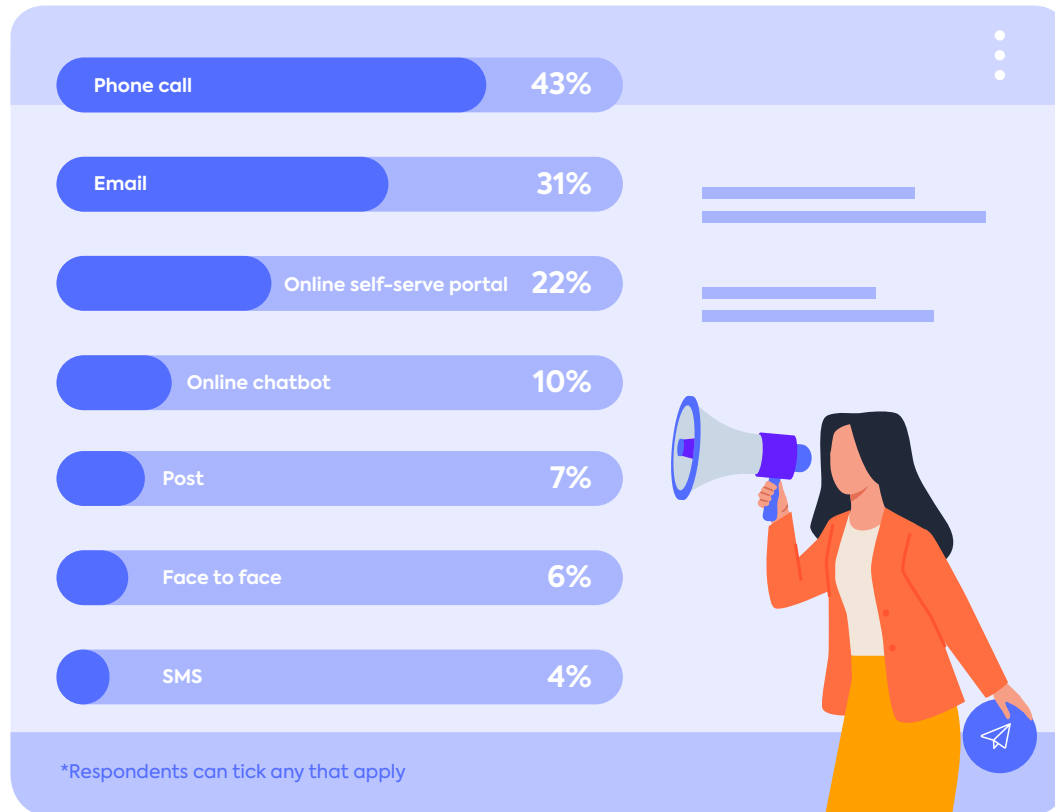


Clear, fast and efficient communications processes must be the goal for the sector. Indeed, the FCA's Consumer Duty puts a regulatory framework around such performance. Achieving this not only impacts the customer experience positively but it also eliminates communications wastage and overspend. This nirvana is only possible through joined-up internal processes that enable the efficient sharing of customer data between departments and between channel touchpoints. It also requires agility in delivering that information to the consumer in a way which they request.



# Satisfaction guaranteed?

**Q:** Which of the following channels of communication do you currently use most often to interact with your insurance firm?\*



The reassurance of human interaction via the contact-centre remains key – certainly in the near term. Streamlining this relatively expensive function is a critical play, relying upon the provision of more cost-effective digital channels that are ultimately able to deliver the credibility and experience of human advisors.

Online self-serve portals can play a significant role in insurance communication efficiency. Usage currently sits at 22%, revealing plenty of room for growth. Such sites or portals are only as successful as the information they contain, and the onus is on insurance providers to connect back-office functions to better enable the share of consumer data across touchpoints.





# The sustainability differentiator

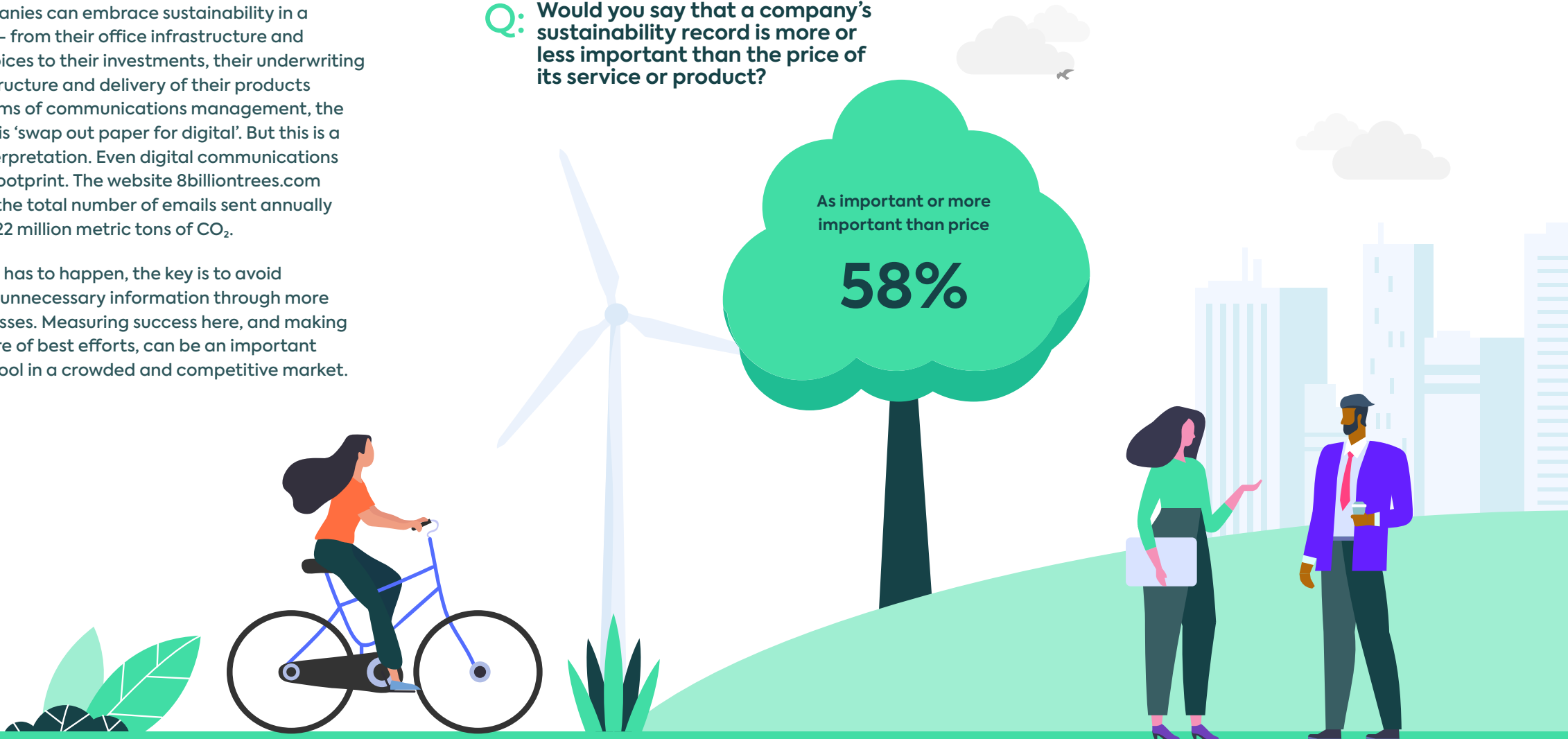
Insurance companies can embrace sustainability in a variety of ways – from their office infrastructure and vehicle fleet choices to their investments, their underwriting decisions, the structure and delivery of their products and more. In terms of communications management, the typical thinking is ‘swap out paper for digital’. But this is a rather basic interpretation. Even digital communications have a carbon footprint. The website 8billiontrees.com calculates that the total number of emails sent annually generates over 22 million metric tons of CO<sub>2</sub>.

Communication has to happen, the key is to avoid duplication and unnecessary information through more joined-up processes. Measuring success here, and making consumers aware of best efforts, can be an important differentiating tool in a crowded and competitive market.

**Q:** Would you say that a company’s sustainability record is more or less important than the price of its service or product?

As important or more important than price

**58%**



For full details – which provides 19 pages of analysis across all sectors, please head to: *'Communication Cut-through - Voice of the Consumer'* report