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Celebrus for Insurance:

Transforming customer relationships

Digital Big Data: Because customers are individuals

Introduction

Today's consumers are increasingly fickle, with brand loyalty becoming harder to garner than ever. Nowhere is this truer than in insurance, where the advent of the internet, disappearance of brokers and growth of aggregators in some markets, has changed the face of the sector and the nature of its relationship with customers.

Coupled with these changes are consumers' sky-rocketing expectations of the service they receive from the companies they deal with. Today they expect, in fact demand, that a brand knows and understands them as a whole person - regardless of the multiple channels through which they interact - and responds to their demands almost immediately. This is not an easy expectation for any company to meet, but for those with millions of customers, often multiple legacy technologies and additional complexities such as data security and privacy, it is extremely challenging.

If, however, insurers are to build customer trust and loyalty they must make steps towards deepening their customer understanding and using that insight to improve the customer experience and relationship at all stages of the lifecycle. Including detailed data on online behaviour in customer analytics programmes, at the individual level, enables organisations to make decisions about which actions to take with a much higher degree of confidence because those decisions will be based on facts - not assumptions, trends and aggregated data.

Digital Big Data: Because customers are individuals

Meeting the insurance sector's marketing challenges

Below we consider ten key relationship-focussed challenges facing the insurance sector that can be solved by understanding individual customer online behaviour. Each company will have a different order of priority, but addressing each will enable an insurer to transform the quality of their long-term customer relationships:-

1. Increasing conversion rates

2. Strengthening churn management

3. Improving campaign effectiveness

4. Advancing attribution modelling

5. Deepening pricing insight

6. Optimising cross-sell efforts

7. Personalising multi-channel communications

8. Enhancing the customer experience

9. Boosting profitable renewals

10. Bolstering fraud identification

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1. Increasing conversion rates

The main destination for customer research is via the Internet. Whilst aggregator websites are prevalent in some marketplaces, even those consumers that undertake pricing research on them are highly likely to visit the suggested brands' websites to assess the quality of the product and brand before purchasing. Delivering highly relevant messages to each individual website visitor based on their behaviour helps "lead" them through the sales funnel, giving the customer a positive experience and optimising conversion rates at the same time.

For example, by understanding how many times that visitor has come to the site, when those visits occurred, what happened each time and how far along the purchasing cycle they got, highly relevant messages can be delivered to that individual at the appropriate time via real-time website personalisation, personalised emails or call centre conversations. The more relevant the message in terms of timing and content, the more positive impact it will have on the recipient, both driving up a website's conversion rates and improving the customer experience.

> ■ **Real-world experience:**
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> Dutch insurance company FBTO increased their new customer conversion rates by 15% by applying the simple AIDA (Awareness, Interest, Desire, Action) marketing model to website visitors and displaying on-site messages according to that customer's stage in the buying cycle. For example, visitors who had researched a product previously were shown customer satisfaction rates for that specific product, whereas those that had used the premium calculator were shown the three USPs of the product they were interested in.

2. Strengthening churn management

With the cost of acquisition continuing to rise, the ability to retain customers and decrease churn is becoming increasingly important. There are many opportunities for customers to leave an insurer; cooling off period, mid-terms amendments and cancellations, post claim experience and renewal periods. By understanding individual customers' behaviours it's possible to put proactive actions in place to reduce the likelihood of them churning.

This customer-level behaviour tracking also lends itself to understanding real churn and the root causes of intra-churn i.e. when a customer has been set up with a new policy and the old policy is reported as cancelled/churned customer. In this situation the agent earns sales commission, when in fact an amendment was sufficient and would have resulted in less commission being paid, whilst at the same time retaining the customer and meeting their needs.

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For example, imagine a customer is looking at T&Cs or Q&As during their cooling-off period or mid-term of the policy, which in themselves are key leakage points for insurers along the customer journey. By understanding what information they are seeking and combining this with previous online behaviour and core policy data such as renewal date and multi-policy ownership, the insurer could make an informed decision on how and when to intercept the customer in order to minimise their likelihood to churn.

3. Improving campaign effectiveness

Back in the mists of marketing time it took several weeks to understand how effectively a campaign was performing and often it was only possible once that it had run its course. With the nature of today's more interactive and real-time channels, it's now possible to get a view of success much earlier. Making decisions on early results should be treated with caution however, as it's easy to misinterpret what the data is telling you if it isn't the right type of data.

For example, an assessment of conversion rates from different banner adverts could indicate that one is doing better than the other - however conversion rates alone can be misleading. By understanding both the potential value of visitors delivered from different banners, and the probability of those visitors converting over time based on their observed online behaviours, marketers can build highly accurate predictive models which illuminate the true effectiveness of each campaign execution.

4. Advancing marketing attribution modelling

The majority of insurance companies have a broad portfolio of products, e.g. car, home, travel, life, pet insurance etc. The broader the product mix sold to an individual customer, both the more revenue generated and the greater the "stickiness" i.e. loyalty, of that customer. It can be difficult though to ascertain a specific customer's interests to target cross-selling efforts effectively if you're relying on "traditional" aggregated data. However, by including individual-level digital data about customers' behaviour across the brand's website, social and mobile channels enables them to get a clear picture of each customer's interests, opening the door to highly targeted and effective cross-selling.

> ■ **Real-world experience:**
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> Dutch insurance company FBTO has built a predictive campaign optimisation model which enables them to predict, within 24 hours of the campaign's launch and to 94% accuracy, which different online activities will be most effective over time. By having this insight so early in a campaign FBTO is able to very quickly and accurately adjust the campaign media, creative and messages, increasing their return on marketing investment and overall results.
> (Full case study: bit.ly/FBTOcasestudy)

For example, discovering which individual customers search online and buy offline at a different price, and building profiles of those individuals, could be invaluable in developing segmentation models and targeting future campaigns to optimise multi-channel approaches and media investments. In addition, granular data showing interactions over time by visitors arriving from different affiliate adverts enables organisations to ensure that they are paying their affiliates fairly and correctly.

5. Deepening pricing insight

Whether you are a direct brand, aggregator/ distributor or offering insurance under your retail brand, getting pricing optimised is key not only to conversion targets, but also for recruiting and retaining the correct profile of customers and managing customer profitability.

Traditionally, pricing has been mainly the domain of actuaries with the focus on claims risk. However, with the removal of the gender variable in the price/risk modelling, there are indications of, in addition to third party input, a move to include more customer data such as length of tenure, speed of renewal, number of products held across the brand/group at individual/household and Net Promoter Score, which will enable a more intelligent and integrated approach to pricing – combining risk, full customer value and customer loyalty.

Additionally, the insurance industry's desire to do more dynamic pricing optimisation and testing lends itself to use more timely online behavioural insight. This online behaviour data capture will further the customer insight around brand preferences and price sensitivity.

For example, by tracking customers' online cursor behaviours on aggregator sites, it would be possible to deduce if the individual customer's hierarchy of decision-making is based on price only, firstly price and then a brand quality or vice versa, or other criteria entirely. Pricing sensitivity could also be ascertained from understanding referring and onsite search terms - use of the words "cheap", "offers" and "low-cost" for example.

■ **Real-world experience:**

When Google search term data was available a leading UK insurer saved 10% of their PPC spend through building full customer lifecycle attribution models which identified exactly which terms were playing an important role somewhere in the sales cycle. They also found that online display advertising played a key role in their overall marketing efforts early in the sales cycle; its value was therefore invisible when applying last click modelling but clear when building models based on the full customer lifecycle.

Dutch insurance company Centraal Beheer have also been building full customer lifecycle attribution models with objectives of reducing advertising spend by 10% whilst increasing conversion rates by 5%. Full case study: bit.ly/Achmeacasestudy

6. Optimising cross-sell efforts

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For example, by understanding which cross-sell promotions a specific customer has been shown on the web, the order in which the promotions were shown and any resultant interactions, an insurer can target messages, optimise promotional discounts or try new products accordingly. Additionally, online experiential data about the order in which products were shown to a customer following a search, the stock level indicated for each product and which ratings and reviews were visible, combined with behavioural data such as which products were clicked on or added to the basket, can provide deep insight into not just what the customer did but potentially why.

> ■ **Real-world experience:**
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> FBTO, part of the large Dutch insurer Achmea Group, had been calling their existing customers to cross-sell travel insurance but were frustrated by low conversion rates. By targeting their calls to those customers that had viewed information about travel insurance on their website, without specifically mentioning that in the call, their conversion rate went up nine-fold.   Additionally, the customers rated the call as a positive experience.

7. Personalising multi-channel communications

With clients communicating with their preferred brands via an ever-widening array of channels, but still expecting to be understood as one individual, truly personalised communications are still hard to achieve. Whilst the advancement of marketing automation technologies is putting this ability within the grasp of more organisations, one vital piece of data is often still missing - the behaviour of that specific individual on a brand's digital channels. Without that data, in combination with offline data such as call centre records, an organisation simply cannot compile a complete picture of a customer. And without that 360-degree view of an individual, companies risk sending irrelevant or inappropriate messages to their customers, for example promoting a special cross-sell discount via email to someone who has just purchased at the full rate via the website.

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Real-world experience:

Dutch health insurer Agis Zorgverzekeringen uses individual-level online behavioural data to understand the life-stage of each website visitor and then personalise the website content they see in real-time accordingly. This has resulted in a 24% uplift in conversion rates. Full case study: bit.ly/Agiscasestudy.

For example, if an insurer can distinguish between a website visitor who is looking for contact information or insurance advice, from someone liable to make a purchase, they can send highly relevant messages to each to drive sales and improve conversion rates.

8. Enhancing the customer experience

Customer loyalty is increasingly rare across many sectors, and in the highly price sensitive insurance industry it's even harder to achieve. In addition to the positive impact of sending relevant and timely messages through a customer's preferred channel, loyalty can also be boosted by demonstrating that you understand an existing customer's wants and needs. One area this can be most effective is when it comes to claims processing. A good claims experience can make a real difference to how that customer feels about a company, impacting not just Net Promoter Scores, but also the bottom line through heightened retention rates, increased wallet share and reduced price sensitivity. Understanding a specific customer's online behaviour, in addition to any feedback by that customer, either direct or through social channels, can have huge benefits.

For example, online behaviour such as repeated online searches for how to make a claim, consistent dropping out of the online claim form or frequent visits to the customer contact centre page, could indicate that a specific customer is having trouble initiating a claim. Based on this knowledge the provider could; flip up a message in real-time on the website with the steps of the claim process, feed the information into the call centre for them to place an outbound call to offer help, or pop up a live chat box to help the customer via that channel. By pro-actively helping the customer through the process the customer experience is greatly improved.

Real-world experience:

Dutch health insurer Agis Zorgverzekeringen can identify whether or not a website visitor is an existing customer and uses real-time website personalisation to show them the most appropriate contact centre number. By getting through to the right people quickly and easily, the customer has a positive experience and the company increases call centre productivity. Full case study: bit.ly/Agiscasestudy.

9. Boosting profitable renewals

Successful renewal activities are paramount to an insurer's health and with the increased knowledge and desire of consumers to find a good value deal, brands are having to work smarter and make their data work harder.   Access to online behavioural data during the renewal period can be extremely valuable in helping insurance companies both maximise their number of renewals and ensuring those renewals are profitable. Similarly, understanding if the same customer has "Liked" or "Un-Liked" the brand on Facebook can be a good indicator of their current sentiment towards it. Combining this data with an understanding of their influencer network and Lifetime Customer Value can also highlight which customers an organisation should go the extra mile in order to keep.

For example, a customer receives an automatic or manual renewal reminder quoting the premium for the next insurance period. The customer is relatively brand loyal and wants to stay with their existing provider, but feels compelled to check they are still getting value for money and that their loyalty is not being taken for granted. Regardless of whether or not they visit an aggregator site too, the customer is highly likely to visit the site of their existing brand. As many insurers can't differentiate between visits by existing customers and new prospects, the customer is deemed to be a new prospect whilst on the site, especially as their behaviour is that of a prospect e.g. using the premiums calculator. With acquisition still a key focus for insurers, the customer is likely to find that the insurer is treating new customers better than existing loyal customers, leading to an unhappy customer. However with the ability to identify this visitor as an existing customer, track application answers and link this back to their existing policy and claims details, and connect this visitor with their contact history including the proposed renewal price, the insurer could take proactive action before the customer feels betrayed by the brand and switches to a competitor.

10. Bolstering fraud identification

Sadly, not all customer claims and applications are genuine. Insurers have a number of techniques in place to identify potential fraud, however by arming themselves with an understanding of the online behaviours of individuals they are adding another weapon to help identify when to set in motion their fraud alert processes.

For example, continual changing of data in specific fields of an online application form, or taking a long time to answer questions around excess liability amounts, annual mileage, no claims bonus, previous motoring offences etc., could be seen as indicators of fraud. Similar behaviour during the online claims process, or multiple attempts at completing an online form from the same IP address, could also indicate an unusual or organised claims pattern, triggering a fraud investigation.

Developing deeper customer intelligence to drive stronger results

As this document has tried to demonstrate, the better the data foundation an insurance company develops, the stronger the model they can create and the greater the business results they will achieve. By feeding 'right time' highly granular, individual-level online behavioural and experiential data, along with other data such as from the call centre, into the warehouse, insurers put in place an extremely robust and rich set of data on which to build business critical models. This puts them in the best possible position to turn that data into actionable insight that can transform customer relationships, increase revenue and profitability, optimise spend and help them meet the many marketing and business challenges that they face.

Individual-level online data from Celebrus Technologies is:

- **Customer Focussed**
  Data organised by session and individual customer, not page or IP address.
- **Detailed**
  Data is at individual session, visitor and customer level, not aggregated or summarised reports.
- **Behaviours & Experiences**
  Both behavioural and experiential data is captured, enabling you to understand not just what the customer did but what they were shown online.
- **Easy**
  A single insert captures all data and implements real-time - no up-front tagging or tag maintenance required.
- **Fast**
  Operates in sub-second real-time to enable real-time personalisation or can be fed five-minutely, hourly or daily.
- **Complete**
  All data is captured to enable current and future analysis and insight.
- **Flexible**
  Can be fed as structured or semi-structured data into a wide variety of big data platforms.
- **Owned by you**
  So you have access to the data as and when you need it without the security issues of another provider holding it.
- **Scalable**
  Designed to support the largest of web sites and applications.

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About Celebrus Technologies

Celebrus Technologies (www.celebrus.com), a division of D4t4 Solutions Plc, enables organisations to understand individual customers' interactions and experiences across their digital channels including websites, mobile apps and social media, as well as card payment systems. Celebrus' award winning digital big data software feeds this data into a wide variety of technologies in real-time to power customer analytics, digital intelligence and real-time personalisation programmes that maximise revenue, marketing effectiveness and brand loyalty. D4t4 Solutions Plc (www.d4t4solutions.com) provides comprehensive products and services, from data collection through to management and analytics, that enable organisations to drive advantage from their information assets.

TO FIND OUT MORE:

To find out how Celebrus can help you please visit **www.celebrus.com**.
Alternatively, to see a demo of Celebrus on your website, call us today on +44 1932 893 325 (UK), +1 508-308-7455 (USA) or you can email us at **info@celebrus.com.**

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