Trust and Innovation in the Insurance Sector
Recent years have been among the most peculiar the world has experienced. Converging exceptional events that include a pandemic, risk of global recession, geopolitical conflict and digital globalisation have made the future harder than ever to gauge. But they have also spurred disruptive innovation in nearly every sector, including insurance.

Regulated industries have experienced the greatest challenge in adapting for commercial performance in the new digital era. Due to a seismic shift in consumer needs and expectations, companies are scrambling to remain competitive and compliant. In a global climate characterised by weakening stability and security, consumers have gained a heightened risk awareness and interest in protective measures, such as insurance services. The insurance sector has a vital role to play in addressing these evolving market needs, with data-driven innovation the key to unlocking value in a fundamentally transformed economic landscape.

With a renewed interest in price and flexibility, consumers are increasingly examining their insurance options on the digital playing field. Whilst insurers already hold large quantities of consumer data on trust, mobilising that data through the marketing funnel is often a challenge. Substantial volumes of data remain underutilised, due to outmoded collection, storage and activation methods.

High operating costs, legacy system inefficiencies and game-changing innovation from the rise of insurtechs have proven challenging barriers for traditional insurers to surmount. However, insurance transformation is picking up pace, with US$20 billion invested in insurance-tech in Asia-Pacific over the past five years. Reassuringly, insurers are adopting a more digitally astute buyer persona, by developing digital platforms that empower customers to make payments and receive benefits efficiently.

Optimising digital services and customer experiences (CX) is critical to bridging the trust deficit that exists as consumers call for more transparency and customisation to simplify the process of buying insurance. Policy and regulations, like the Consumer Data Right (CDR) in Australia and the Act on the Protection of Personal Information (APPI) in Japan, are also imposing obligations upon insurers that require compliance in the pursuit of digital transformation.

While presenting challenges to digital innovation, these market shifts also deliver new ways to recruit customers, re-engage existing ones and even reignite industry segments. By prioritising customer needs, trust and technology, there are significant opportunities to innovate and grow. To get there, insurers will need to reimagine their business models against the new market landscape.
Regulations improve rights for consumers and clarity for companies

Insurers face multiple challenges across the region, starting with new or evolving regulations, such as the CDR in Australia and the APPI in Japan. These regulations are changing the dynamic between brands and consumers regarding how they share and exchange data, as well as the context in which this occurs. Consumer behaviour is also changing in response to evolving market conditions, leading to a heightened demand for digitalised buying journeys.

The CDR rollout in Australia will make the country’s insurance sector a testing ground. Insurance companies in Australia will be the first widespread adopters of this type of regulation in the world. The CDR puts people squarely in charge of their own personal information in an automated and secure manner with service providers, whilst granting them a higher level of control over what is done with their data and when.

The CDR’s introduction of data portability into the Australian economic landscape will lead to a parallel increase in market competition – requiring insurers to act with urgency to remain competitive in a saturated market. Moreover, the Privacy Legislation Amendment (PLA) will raise the bar in privacy standards to strengthen Australia’s Privacy Act 1988, leading to increased penalties and enforcement mechanisms. Although the PLA aims to target large technology companies, major insurers and banks are apprehensive of these changes, as the bill’s definition of ‘online platforms’ extends to many financial services providers.

In Japan, the APPI was recently amended to include protocols that enhance the regulation of the acquisition, use and provision of data to third parties. The APPI will be updated periodically, and is expected to impose stricter controls as more businesses commercialise data along their digital transformation journeys. Japan’s insurance sector also faces the need to diversify sales channels, with a greater focus on contactless and online services. As insurers in Japan seek to attract a younger demographic through tailored products and dynamic pricing, honouring consumer privacy will be critical to earning the trust of a new generation.
Unlocking the value of existing data remains important if insurers are to build a sustainable competitive advantage.

To continue to collect first-party data, the sector must build trust with consumers. In many cases, consumers are not averse to the concept of sharing their data in exchange for a simplified and customised insurance purchase process. But to willingly agree to this deal, consumers are demanding greater transparency in terms of how their data is used, stored and protected. Technology offers insurers a way to turn these challenges into opportunities by adopting a privacy-first approach to customer experience innovation.

Despite increases in privacy-enhancing technology investment, businesses and consumers alike remain aware of ongoing data privacy risks. A substantial 80% of Japanese consumers indicate a concern in providing personal data. In Australia, 83% of consumers recognise the value of exchanging data for personalised experiences, yet 83% desire more clarity about data collection practices as a whole.

Customers in New Zealand have expressed that the principal way to build trust and loyalty is to put their needs first. From a business perspective, 46% of organisations in Singapore believe that improved trust will lead to increased profitability, market share growth (36%) and strengthened brand reputation (34%).

In addition, 8 in 10 Singapore businesses indicate trust as the primary consideration in their cyber-risk programme. When insurance providers prioritise trust, the resulting customer relationship has a better chance at longevity.

By striving to strengthen consumer trust, insurance companies will accelerate first-party data acquisition and gain deeper insight into potential customers in the market for their services. Privacy-first personalised CX is now the gold standard.

Insurance companies have an opportunity to win over and improve customer relationships by demonstrating their commitment to transparency and trust in the management of personal information.
Using technology to get ahead of the curve

As digital globalisation expands alongside evolving data privacy regulations, the only pragmatic option for insurers is to embrace transformation. Adapting to deliver digitally-enhanced CX, supported by trusted platform security, can yield a competitive edge. Yet, selecting the right technology that is easily implemented presents a challenge in itself – but a customer data platform (CDP) offers a viable solution.

A CDP creates a unified customer database that is accessible to other systems. Data is pulled from multiple sources, cleaned and combined to create an enriched single customer view, with audience segmentation and profiling. This structured data can then be ingested by broader marketing systems to democratise trusted customer views company-wide. Automating the delivery of personalised CX at scale has made the CDP indispensable in a modern marketer’s technology toolkit.

For the insurance sector, a CDP is an enabler that serves two key purposes. Firstly, a CDP unlocks the value of data in a privacy-compliant way. With a CDP, an insurance company can deliver personalised engagement at the precise moment a consumer indicates an interest in acquiring insurance. Secondly, the AI-powered capability of a CDP automates previously drawn-out and manual processes to accelerate CX innovation. The net result of scalable privacy-first CX innovation is enhanced customer loyalty and lifetime value – two key growth drivers that enable leading the market.
Tealium and nib: Innovating the insurance customer experience

Technology is both an enabler and a disruptor in the insurance sector. Traditional insurance providers lack a consolidated view of data, which limits automating, personalising and scaling customer acquisition strategies.

Leading Australian health insurance provider, nib, used Tealium’s CDP to resolve this issue and address customer concerns by collecting and combining data via several online and offline sources. Data consolidation via Tealium AudienceStream CDP enabled nib to integrate insights with other data management products for improved personalisation. Tealium was also able to embed a 360-degree real-time customer view within nib’s identity and customer journey – this enabled call centre and support teams to cater to specific customer demands through unified member data technology.

As well as adopting the right technology, insurance firms must recognise the importance of a future-ready organisational structure to maximise a CDP’s potential. The CDP can uniquely enable teams across an organisation to achieve their business objectives. In nib’s case, the company established a data centre of excellence that brought together specialists from different business divisions to make data readily accessible to those who needed it. Whilst CDP usage may be led by a specific discipline such as data, marketing, IT or product, securing cross-functional buy-in is critical to maximising long-term value creation via the tool.

For large and medium-sized organisations, it is especially important that the core CDP team comprises stakeholders from different business divisions to encourage proactive communication, as well as the sharing of objectives, experiences and results to create a firm foundation for mutual success. In turn, this collaborative approach will pay dividends in improving operational efficiency.

With the right technology, infrastructure and personnel in place, insurance providers can use a CDP to build trust with customers on a one-to-one level. Furthermore, a CDP can activate real-time omnichannel personalisation to elevate and differentiate an insurer’s value proposition from the competition. For example, insurance companies can use a CDP to optimise product and service delivery in the form of packages that preempt illnesses in the preventive healthcare space, as well as dynamic pricing that is appropriate to each customer’s unique profile.

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‘nib’s customer-centric organisational transformation is built upon the foundation of the world’s most trusted CDP, Tealium. Tealium’s role as a trusted advisor, coupled with its future-ready solutions, streamlined nib’s CX innovation journey into three simple steps: transform, optimise and accelerate.

Tealium accelerated nib’s digital performance in multiple areas, significantly improving member logins, digital adoption, quote nurturing effectiveness, sales cycle efficiency and speed to market. With Tealium, nib has renewed confidence for the future, as we fulfil our vision of a healthy and prosperous Australia, one customer experience at a time.’

Adam Hatfield
Head of Digital – nib
Customer Journey without Tealium First-Party Data Services

**Unknown visitor**
- First visit to insurance website
- Explores many insurance product offerings
- Extends session on health insurance site page
- Bounces without action

**Generic marketing**
- External display ads
- Irrelevant content advertised on website

**Unknown visitor**
- Makes purchase
- OR continues search elsewhere

**Consent not given**
- Analytics ability reduced
- No identity keyring produced
- Ability to personalise communication reduced and limits to marketing may result

**Unknown visitor**
- Real-time RFM stats absent
- Limited ability to offer cross-sell/upsell of new insurance products

**Unknown visitor**
- First visit to insurance website
- Explores many insurance product offerings
- Extends session on health insurance site page
- Bounces without action

Consumer behaviour

<table>
<thead>
<tr>
<th>Cookies</th>
<th>Platform</th>
<th>Affinity</th>
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<tbody>
<tr>
<td>Enabled</td>
<td>Desktop</td>
<td>Unknown interest</td>
</tr>
<tr>
<td>Disabled</td>
<td>Mobile</td>
<td></td>
</tr>
</tbody>
</table>

An anonymous user profile, with interests remaining hidden.
Customer Journey with Tealium First-Party Data Services

**Unknown visitor**
- First visit to insurance website
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- Extends session on health insurance site page
- Bounces without action

**Marketing and personalisation**
- External display ads
- Personalised content on website
- Live chat with bot and agent

**Lifecycle marketing and customer service**
- Continue to innovate and delight the customer, with data-driven insights

**JACK, 34**
Enjoys online browsing, and relies on digital engagement to evaluate a purchase decision. Prefers personalised experiences that take into account holistic needs.

**Consent**

**Consumer behaviour**
- Cookies: Enabled
- Platform: Desktop
- Affinity: Health insurance

**Known visitor**
- Data fuels all IT systems, including analytics
- Identity keyring established
- Provides consent for marketing and personalisation

**Journey mapping and RFM**
- Real-time RFM stats become relevant
- Cross-sell/upsell of new insurance products
- Earned media and loyalty
A competitive edge built on trust and value

Building trust through technology can aid in solving some of the insurance sector’s most pressing challenges. Amongst these challenges are resource and talent crunches, which affect one of the most important aspects of business operations – how fast projects are delivered.

Delays in executing work and processing claims, slow responses from call centres and the domino effect this has on broader service delivery are simply no longer acceptable to customers. In a market where consumers have a plethora of options, anything that causes frustration or poor satisfaction is bound to result in a brand break-up. There is also the fact that human customer engagement touchpoints can be more costly for a business, whilst leading to a lag in both processing claims and keeping clients happy. Consequently, this can harm client retention and limit potential upsells that will invariably impact the bottom line.

For insurers to deliver relevant offerings in real time, disintegrating data silos will be necessary to decipher customers’ needs and wants. This is where technology solutions like a CDP can help to integrate data, and produce the information needed to create hyper-personalised customer journeys that minimise friction.

For firms to stand out amid a sea of insurance providers, they will need to ride the tide of change to harness the consent-based data opportunity. This can be achieved by adopting a CDP for penetrating customer insights, and using those insights to offer experiences and services that carry real value to each individual. Combining a CDP with internal alignment is a way that insurers can enhance future-readiness and improve their standing as a brand that exists to help people. To truly differentiate from competitors, insurance companies should empower customers to feel recognised as an individual, and be free of stress and inefficiency in their insurance buying journey.

A CDP can help to integrate data, and produce the information needed to create hyper-personalised customer journeys that minimise friction.
Unlocking value with a CDP to improve commercial performance

 Deliver a truly personalised experience by augmenting marketing technology capabilities to meet and exceed customer expectations at every touchpoint.

1. Align the business
   Any business transformation starts from the top – the shift to becoming a data-driven organisation will fall on the C-suite to influence. Ensure C-suite buy-in and alignment when transforming into a data-first, secure and privacy-enabled enterprise.

2. Clearly define business objectives and KPIs
   Whether it’s digitising and integrating data, reducing claims processing times or increasing customer acquisition and retention, having clear business objectives and an optimal internal structure will allow insurers to identify the right tools for planning and execution.

3. Map technology requirements to commercial objectives
   Assess your current technology stack and evaluate how a CDP could help achieve your business goals more efficiently, with data privacy and governance in mind.

4. Bring data together under a unified view
   Consolidate data to gain a single 360-degree customer view, and improve your real-time CX through digital and hyper-personalised services that make customers feel valued.

5. Use data to consistently deliver in line with evolving customer needs
   As peoples’ lives change, so will their insurance needs. The more you know about your customers and their life stage, the easier it becomes to anticipate their needs, offer relevant products at the right time and boost customer lifetime value.

Readiness for the new digital era is an achievable prospect for insurers, as technology advances to enable unique innovation opportunities. With a CDP-enabled data architecture, insurers can identify and activate insights to best serve consumers amid the next wave of global disruption. The time is now to innovate and elevate the insurance CX to meet consumers’ needs in the moments that matter most. In turn, the traditional insurer will transform into a future-ready enterprise to remain competitive amid digital globalisation.
Tealium connects customer data across web, mobile, offline and IoT so businesses can better connect with their customers. Tealium’s turnkey integration ecosystem supports more than 1,300 built-in connections, empowering brands to create a complete, real-time customer data infrastructure. Tealium’s solutions include a customer data platform with machine learning, tag management, an API hub and data management solutions that make customer data more valuable, actionable, privacy-compliant and secure. More than 850 leading businesses throughout the world trust Tealium to power their customer data strategies.

For more information, visit tealium.com

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