

Speaker

Panagiota Kovani

Hyper- personalisation in Insurance

Driving Growth in a post pandemic world

Laying the ground....

Items to be covered

1. Speaker Introduction
2. What is Hyper - personalisation
3. Why is it important?
4. What does this look like for Insurance?
5. Where do we start? A case study
6. Epilogue
7. Q&A



Introduction – Giota Kovani

Fact Sheet



- University of Athens, BA in Classics
- University of Bath, MSc Management
- Yale Executive Programme Graduate



- Started career in Corporate and Investment Banking, RBC, Bank of Tokyo - Mitsubishi
- Operational Risk & Business Planning
- Joined professional services, Financial Services Consulting
- Strategy focus specialising in Market Growth & Entry, TOM & Organisational Design



- Have advised multiple clients on a breadth of engagements both in Insurance & Banking. Clients including Top Tier Insurers, Re-Insurers and specialist Insurance companies, Asset Managers, Corporate and Investment Banks, Payment and Insurance Start ups and Government Institutions in the UK, Ireland, North America, Central Europe and the Nordics



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What is Hyper –personalisation?

Hyper –personalisation

A definition

Personalisation is mandatory if wishing to provide great customer experience and drive growth.

- Customer segmentation is no longer enough
- “Hyper” refers to a more dynamic and focused approach to personalization
- Reacting to info rather than collecting info
- Creating customer and targeted experiences through the use of AI, data and automation

Hyper –personalisation

Maturity curve



* Source: Instapage

Why is Hyper – personalisation important

Change in customer expectations

- Well executed hyper-personalization can deliver as much as 8x the return on investment on marketing spend and lift sales by 100% or more*
- 80% of customers are more likely to purchase from a company that offers personalised experiences**
- Study by Gartner confirms that brands risk losing 38% of their existing customer base due to poor personalization efforts
- 22% of customers are happy to share some data in return of a more personalized service or product

* Source: Deloitte CA, 2021

** Source: Epsilon, 2020

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The Insurance Case

Example of an Insurance Policy with and without Hyper - personalisation

Attributes	Data
Age	54
Job title	CFO
Time spent on internet browsing	>3 hours/day
Innovation adoption category	Early adopter
Policies required	Home & life
Salary	£130k/ annum
Risk profile	Medium to low risk (good health record- no prior history, safe house location)
Home value	£550,000
Disposable income	£3,000

Without H-P

- Policy based on static/ non changing information
- Comprehensive coverage at a lower cost compared to X of a higher risk profile
- Factors changing overtime not considered

With H-P

- Person loses job / new found illness
- Searches for job on LinkedIn or researches new medical procedures
- Previous policy becomes obsolete, less room for real time adjustments

Hyper – personalization – The How

A case study

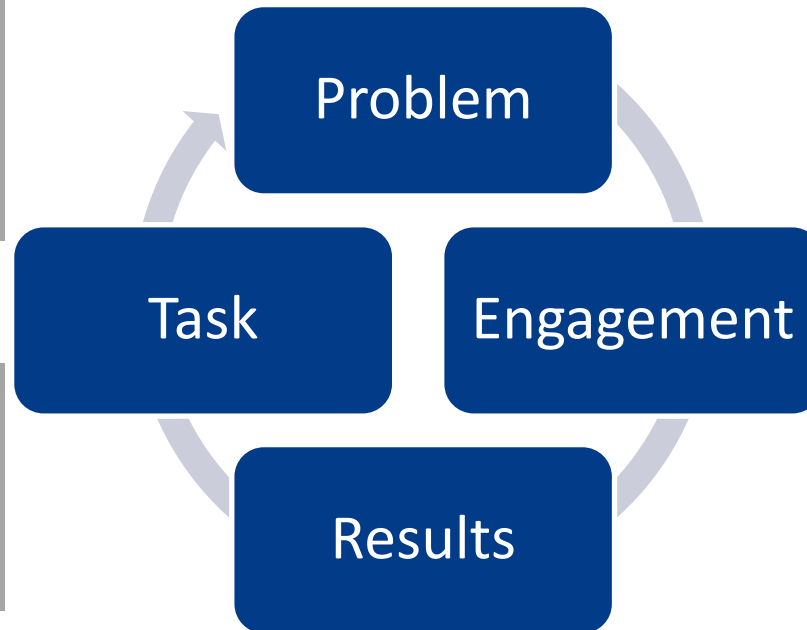
Top Tier UK and Global Insurance Provider, looking to improve customer experience, increase customer retention and reduce marketing spend by 30% for their motor insurance business.

The Problem:

- Customer experience down by 4 percentage points
- Renewals down by 13%
- Marketing spend YoY increase due to increased competition

The Task:

- Understand customer drop out points for new policies
- Understand marketing spend mix and cost cutting
- Understand drop out for renewals



The engagement:

- Customer journey analysis for new customers plus attribute analysis for new policies
- Attribute analysis for renewal policies
- Analysis and suggestion on new marketing mix including all media channels

The results:

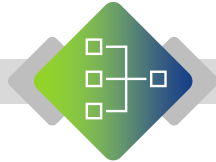
- 5% increase in new motor policies for Q3 and 12% Q4
- 2.1 million savings through reduction of marketing spend due to the reduction on advertising and 5% increase in sales for advertised products, plus 11% expected increase in annual sales across all channels

Hyper – personalisation case study

What did we do

Customer Journey Mapping

Analysed customer journey and drop out points using a root cause analysis non statistical analytical tool



Persona creation & customer segmentation

Having analysed customer data, created customer personas using static info



Scenario analysis

The static personas were enriched with potential real-life scenarios, plus external data and mapped the effect on buying behaviours



Marketing optimisation

Used internal and external data sources for the personas to drive insights on marketing channel effect. External sources included use of technology and IoT.



Trial run & comparison analysis

On a sub segment trialed the use of external sources as a datapoint for policy creation and compared this to the static segmentation and relevant tailored policies



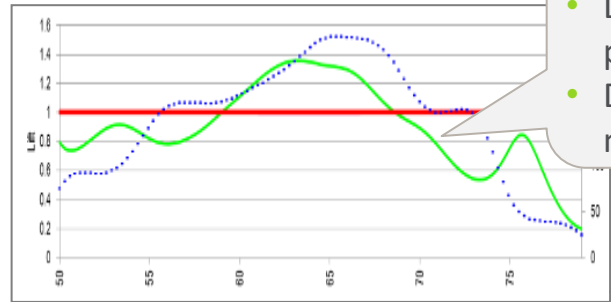
Action plan

Created a new marketing spend mix based on dynamic data points
Implemented the use of external sources as reference data points for policy creation and renewal in real time

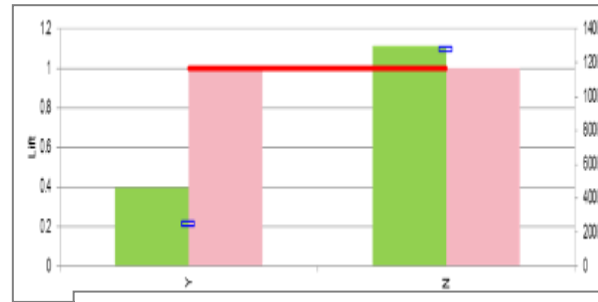
Hyper – personalisation case study

Some Insights drawn from the dynamic data analysis

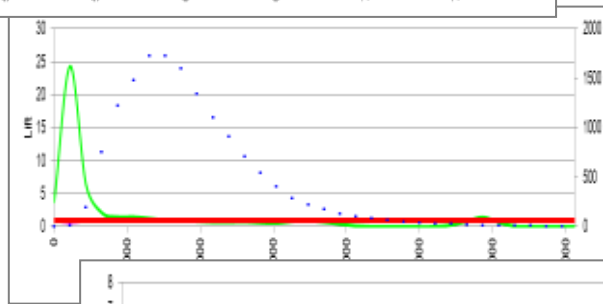
- Overlay profitability
- Determine impact of pricing
- Differentiated messaging



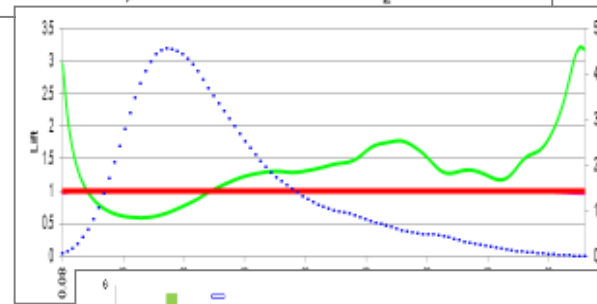
Age



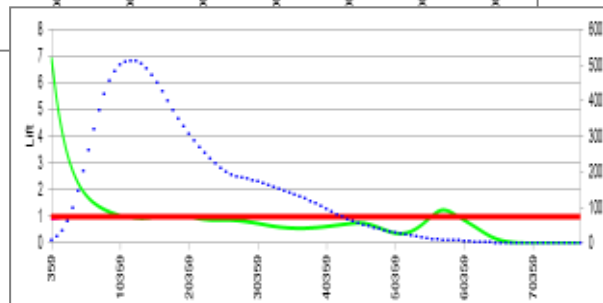
Have annual travel insurance



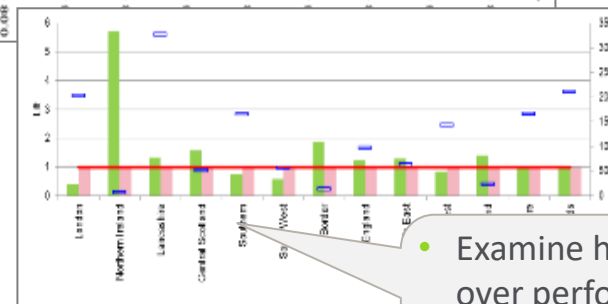
Average vehicle price



Driving behaviour per season



Household income per person



UK region

- Examine high frequency of over performance
- Quality of business
- Regional targeting

Key:
— or ■ 'Purchased' segment
— or ■ 'Not Purchased' segment
⋯ or — Frequency of occurrence

Hyper –personalization

Closing remarks

Competition from non-traditional , digital-first brands has signalled a new era of hyper-personalisation and micro-segmentation. Organisations that “jumped” early have taughts us:

- You cannot hyper-personalize without the use of more connected devices and external data sources
- Sifting through data is a monumental task but only possible with the use of AI
- A personalisation strategy on its own is not enough
- A clear roadmap is paramount; including which personalisation elements should be implemented, when and how. Prioritise, prioritise, prioritise

NOVEMBER
FINANCIAL SERVICES
2024

“Start taking things personally...”

