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Improving quote conversion, retention and profitability in the personal lines market

Adding online payments and ensuring consistent service could be a key differentiator for insurers in winning new business and retaining existing customers. Our expert panel discuss the need for simplicity and an intuitive customer journey; ensuring consistency across devices and distribution channels; and using technology that allows for choice and flexibility at all points in the policy lifecycle

Where are the biggest pain points for potential or returning insurance customers on their purchase journey and how can these be addressed?

Matt Walton: Our biggest challenge is designing a simple, seamless journey for customers that's intuitive enough for them to want to engage and convert. To ensure that contextual help is available to customers at any point throughout the customer journey, we have user tested these hundreds of times, because you can't second guess every single customer's wants, needs and headspace at every moment in time.

All your content should be polished and written in plain English and we have to keep simplifying and shortening digital journeys. These should be as simple as ordering drinks on the Wetherspoons app, which is spot on.

You need to ensure that shifting between channels is also a hassle-free experience for customers and that they don't have to restart the conversation each time they switch.

Phil Ost: I'm also a fan of the simple stuff like web flow, the question set, the order, the layout, and that these are responsive across different devices.

Simplicity and not overengineering are key. Crucially, don't disappoint at the end when it comes to payment. If customers drop out there more than once, they will never come back. If you can use face ID or PayPal that's great – the simpler the better.

Pritpal Powar: It is surprising how often integration between channels is lacking. With price comparison being such a big and growing channel across most personal lines products, consistency in terms of product selection, add-ons, and prices, through to the purchase journey is so important. One pain point arises when prices of different product selections differ for various channels. This

creates confusion and customers need to reconfirm the information.

And then in terms of the question sets, insurers should ask only the necessary questions and explain why the customer should give them any additional information. If it is valuable, they should give customers something in return to add value rather than just creating pain.

William James: At the start of the journey, customers just want to explore quotes and get an idea of what is on offer. But there is often a lack of continuity moving from a price comparison website. They shouldn't have to restart that conversation by providing personal details and information about their vehicle at that stage. It should be a simple transition and people should be able to fill in the details later.

Also, there should be cadenced payment options, so that customers aren't affronted with the requirement to apply for credit and share all their personal data to make a small monthly payment. They shouldn't have to worry about having something on their credit record; it's not as if they are applying for a mortgage.

Nika Lee: As most of our customers are coming from price comparison websites, they frequently drop out because we can't have the competitor price on the screen. Unfortunately, price is the main thing here, so we can't ignore it.

We also have a distribution channel through a dealer network. During the

pandemic more and more customers who were not traditionally on online or digital distribution channels started moving towards those. Given these changes, we are rethinking our customer journey, and simple customer journeys are key here too.

Alex Cross: Absolutely; simplicity is key. I also echo the point about properly positioning around value, which conversion is extremely sensitive to.

In terms of choice, many of us will have multiple cover levels on our products and we must explain the differences to customers and give them the confidence to choose the right one for their needs and circumstances.

What might be holding you back or what are the barriers that might prevent you from doing what you need or want to do?

Niraj Shah: The big players in the market still have legacy tech stacks and are slow to rip these up and start fresh. It's a regulated market, but without that burden, you can move much faster and change the customer journey from one minute to the next. Tech departments of insurance companies need fresh thinking to overcome this barrier – maybe from outside

insurance where amazing customer journeys have been developed.

Powar: I agree that legacy tech is a barrier to innovation integrations. Many insurers look to implement extensive transformation programmes. New technology should be broken down into more component parts, so the pace of change is quicker, and benefits are realised at a much faster rate.

David Pearce: As regulated companies we do important jobs for our customers and when things go wrong, we must put those things right very quickly. In terms of mindsets, management information reporting can help us understand what we've done wrong and gives us the confidence to react more quickly and take the risks in stride. You also need technology that enables flexibility of change.

Lee: Simple customer journeys are not easy for insurers to provide because there is so

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much complexity in our products. So, we need the flexibility to allow for a longer customer journey for whatever reason.

James: More and more insurers have changed technologies for their pricing engines and how they interact with customers. They need to be able to integrate new technologies quite easily in a modular way to augment the customer journey. They can leave the existing policy admin systems in place – but build on them to create the interfaces to switch and have alternate distribution channels.

Ost: We sometimes forget that claims handling, or reimbursing customers is the ultimate proof point of any proposition. There is so much potential in claims to improve at digitally tracking and handling customers and using the claims proposition to drive loyalty in such a competitive market.

Lee: I agree, claims are the moment of truth. We have worked hard to improve on using telematics to understand the circumstances of accidents. This allows us to guide our customers through the right processes, including fast tracking and rapid settlement. This is when our customers see the value of the product they purchased, which influences whether they renew or continue with us as a brand. So, we should not forget the claims journey, which should be considered as part of the customer journey.

Powar: More insurers are taking the customer's admin burden onto themselves to make it easier for them to register a claim. This means eliminating unnecessary barriers such as the need to log in to a portal or reach out to third parties for information. They are also offering more value-add products, such as round-the-clock video vet access in the pet space. This builds out great claims propositions and lends itself to a great customer experience and ultimately, customer retention.

Cross: In terms of customer choice of channel and the ability to go offline to online seamlessly and vice versa; a significant proportion of customers still want extra support, especially at point of claim and this is critical to retaining customers.

Matt Moores: I agree, we've been working with our telephony partners to create these experiences where customers can instantly receive a quote or their claim. But if they're confused, an agent can come on and in real time, help them through the entire flow.

In terms of instant payments, the insurer should be able to echo that seamless front-end experience on the claims side too. Too often they are limited by the bacs network.

Obviously having the money in the bank can be great, but some customers might want access to an insurer-approved supplier rather than sourcing one and spending the money themselves. Do customers really want automatic, online payments, or do they just want to talk to somebody?

Pearce: Recently we have been offering immediate cash payment. Customers have loved it and it also drove of better indemnity outcomes for us. We also gave other choices to customers we knew this wouldn't work for and this was received well, especially by vulnerable customers. So, it's important to use technology that allows you to offer choices.

Lee: The challenge for us is making it easier for our younger new drivers to purchase insurance on premium finance. Typically, this is for 12 months, but vehicle finance is three years, and we know they struggle in that first year. So, I wonder if there are any digital or online payment methods to help our customers.

James: In the crossover between telematics and fleet or leasing, the distribution of insurance can be linked to the financing of the vehicle. When someone takes out a three-year contract on purchasing their vehicle, they've already provided all the financial information critical to the process of selling the insurance. A partner can link that into a seamless process to add the product on. More and more fleet operators are looking at mobility solutions for businesses and that could extend to the wider public. So, perhaps the telematics of the future will link insurance with those new distribution channels.

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Shah: Most people nowadays are not buying cars, they're leasing them. And if insurance is sold at the start of a lease, it will completely disrupt insurance claims. There are already players doing that outside the UK at scale. For example, ALD is doing this as part of the second largest leasing company in the world. This is eating our cake and we should look at the customer journeys being offered, because the traditional journey could disappear quickly.

How does the use of multiple devices – including tablets and mobiles – to close an insurance sale complicate the online quote and buy journey? And what are your experiences in terms of the confusion created for customers when you use a broker or aggregator?

James: We need to change the way we're distributing and selling and there's a big piece around data privacy; who owns the data; what is fair; and what customers expect. We're now working with aggregators who collect a certain amount of data and present products to insurance companies. But in terms of going cross-platform to find quotes for customers, they need to have a trusted relationship with customers to be able to hold their personal and financial data. Taking out a lease or getting financing requires one of those trusted relationships. So, there is a role to play as stewards of data, but whoever does that on behalf of the customer can more easily fill in all the blanks when going from one platform to another.

Moores: For a typical personal lines quote-to-buy process, around 2.4 devices are used on average. The customer may drop off for a myriad of personal reasons and pick up on several devices at different times. Some brokers and insurers struggle to capture and track that, but we can do this quite successfully as a trusted third party because we are platform independent. It would be good to know how others are addressing this and how we can build this capability.

Lee: Typically, customers will start their initial search and quote on mobile or tablet, but when it comes to purchasing, move to desktop. There is a data privacy piece and what customers are comfortable with, but it will be interesting to see the developments and whether any insurers are using social media logins for example.

Pearce: A lot of people say they are doing everything 'mobile first' but that's not how customers interact with us. It might be their channel of choice for many transactions, but they transition between different devices or channels a lot. And those devices and how we transact with customers will both change.

Walton: Agreed, and I find the term 'mobile first' slightly annoying; it should be 'customer first'. You need an experience designed for each device, which is consistent when the customers moves between them.

Do you think insurers can increase cross-selling opportunities if they make their customer journey a USP?

James: There are serious data privacy and data stewardship issues in the regulated industries because we're protecting people's lives and livelihoods. The longer-term outlook for insurance companies is to become trusted data stewards for their clients. But currently there isn't a space to store customer data in this way and most companies don't have ways of being able to validate data for use elsewhere.

Are any of you using PSD2 compliant two factor authentication and do you think it could help reduce fraud?

Pearce: It's a really live debate. It's a brilliant use of technology to increase fraud prevention. However, it creates an extra step in our processes. And any step that creates friction can give you drop out, so we need to test and trial this with third parties to make sure it works well.

James: I think it only works in conjunction with services when it's worth setting up with a data steward. Customers don't want to have to do this every time they buy a product or have a contract with someone. ∎