

Changing customer behaviour through meaningful data

Merely having access to data is no longer good enough to be competitive in the insurance market. The data must be combined with meaningful analysis that enables better insights on what customers want.



Kelly Preston, data analytics manager at SilverBridge

“However, people are creatures of habit and need incentive to change. Despite how consumers have become less brand-loyal due to an increasing variety of product choices in the market, there are many who feel comfortable in maintaining the status quo. So, even if an insurer provides such an individual with a completely customised solution, the likelihood that the customer will favour it over an existing policy is minimal,” says Kelly Preston, data analytics manager at SilverBridge.

Fortunately, behavioural economics can be combined with data analysis to unlock the potential that exists in providing customers with bespoke offerings. Already, there are insurers that incentivise its policy-holders to perform health-related activities. Enhanced benefits, reduced premiums, and other value-adds are offered so people become more receptive to change.

Tailored services

“Combining all these elements empower the insurer to take its business to the next level with tailored solutions catering for a range of customers,” says Preston.

The generic segmented way of developing insurance solutions is becoming less pervasive. Today, people expect better service, tailored offerings, and rewards for not only their behaviour but also their willingness to remain at an insurer.

Gaining a deeper understanding of data is vital to accomplish this. An insurer needs to make sense of the vast amount of data at its disposal. Irrespective of whether it is structured or unstructured, data must be more effectively (and intelligently) analysed to draw better conclusions. In this regard, behavioural economics provide a much-needed impetus to affect this change.

“Intelligent data management is the next evolution of what an insurer needs to do as the means to differentiate its offering in a cluttered market. Combining the skills of data analysts, scientists, and others inside the organisation will help drive this. But it requires more than that,” she says.

Understanding behaviour

Returning to business principles and utilising modern data analysis create a more conducive environment understanding behaviour. Too often, organisations succumb to the temptation of adopting the ‘latest and greatest’ technology innovations with little thought given to how it integrates into existing processes and practices.

“This is why behavioural economics becomes such an important tool to accomplish this. It gives insurers a more accurate way to enhance its data and deliver a better customer experience. All told, this provides the required platform for true insurance differentiation,” concludes Preston.

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