Unveiling what consumers expect from online regarding insurances

E-commerce is generally maturing in the Belgian market: Comeos E-commerce study shows 74% of Belgians purchased products or services online in 2017 (up from 59% in 2012) and we displayed the strongest growth of online turnover in Europe in 2016. The Belgian Insurance market specifically, displays a more hesitant digital maturity. In some of our neighbouring countries digital is already the new normal when it comes to purchasing and using insurances. Belgium however, still heavily relies on a bricks and mortar distribution channel of agents and brokers.

There have been a number of studies over the last couple of years, that zoom in on the distribution side of the insurance sector (e.g.: Benthurst Study, ICMA study,...). We were however, unable to find a comprehensive study inquiring into what we believe matters most: the Belgian consumer’s opinion.

We believe that in order to create relevant products and solutions, you need to first understand what the customer needs and desires. That’s why we decided to set up a recurring barometer – in co-creation with the biggest Insurers in the Belgian market.

With this first edition of VODW Brussels’ “Customer barometer – Insurance and online”, we are launching a recurring study that investigates what consumers expect from ‘online’ in terms of researching, purchasing and using insurances.

Our ultimate goal with the insights from this consumer barometer is to accelerate customer centric innovation in the Belgian insurance market, through close collaboration with Belgian insurers. Our aim with this report is to inspire Belgian insurers to build insurance propositions that truly fulfill Belgian consumers’ expectations regarding the role of online.

Enjoy reading!

SIMON ANTHONIS
Managing partner
VODW Brussels
SAMPLE GROUP AND RESEARCH METHOD USED
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Consumer Sample
- The sample group used in this research consists of 1539 Belgian consumers. This sample group is proportionally distributed over gender, age, location, income and education.
- All respondents are the household’s decision maker on all insurance policies. All respondents used, indicated that they were in contact with their respective insurance during the last two years.

Methodology
- Quantitative survey
- Qualitative interviews

Sample Group
- n=1,539 - Age = 18 +
- In contact with insurance during last 2 years
- Decision makers

Composition
- Representative for Belgium, gender, age, region, income and education.

Quantitative Research
- In order to better understand the insights gained through the quantitative research, we executed in-depth (90 minutes) consumer interviews both in Flanders and Wallonia.
- During these interviews, we asked consumers to underwrite existing Home and Car insurance propositions online. We asked to share their thoughts and remarks on the propositions, the underwriting process and the distribution channel.
- The online proposition used during these qualitative interviews were:
  - Home: Allianz, AXA, Baloise and Belfius
  - Car: AG Insurance, Corona Direct, Ethias, KBC, P&V and Touring
- In addition, we also captured general insights on their perception of insurance, their distribution channel and thoughts on direct (online) insurance.

Qualitative Research
- The qualitative market research was assigned to GFK. As an established research firm, they made sure that the outcome of this market research would be representative and that our respondents are a correct representation of the Belgian market.
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Insights gathered throughout the customer journey

This report is built around the end-to-end insurance customer journey, consisting of 4 major journeys (information, quote request, underwriting and claims). We used these touch points to understand consumer’s current and preferred ways of interacting with their insurance products. For this first edition, we decided to focus on the two major non-life products: car and home.

We also asked consumers how they felt about sharing their personal data with insurance companies, and what they expect in return.

Finally, we surveyed how aware the Belgian consumers is of the major (bank)insurance companies in Belgium, and the brand-perception associated with these companies.
INSIGHTS

This free report focuses on some of the insights we gathered about the client expectations and experiences on car insurance.

To see the full report, contact us at barometer@vodw.be
For Car insurance, more than half of consumers are willing to try

- 51% of all consumers would be willing to underwrite a car insurance fully online.
- When looking specifically at the audience under 35, the willingness to underwrite car policies online, increases to an impressive 60% of the audience.
- 23% of all consumers indicate they would be highly likely to do so, whilst this figure is only one percent point higher (24%) for the younger audience (under 35).

RECOMMENDATION
Comparing these results with the home insurance results in the following chapter, we would advise to prioritize car products when testing with the development of online propositions. Not only are consumers generally more ready to adopt these, but as a product with a higher turnover, the touch points would be more frequent.
Most important purchase drivers are quality related. A personal approach is also key.

- Of all suggested purchase drivers, "a good follow-up after a claim" is most often considered as an important purchase driver, followed by "the number of different risks that is covered". "Simplicity and clarity of the insurance" and "fast pay-out after a claim" share third place.
- Price ("As cheap as possible") takes fifth place on as an important purchase driver.
- For younger consumers (under consumers 35 years of age) the price is considered more important (3rd place).
Intermediaries are overall the most desired source of information...

- In general respondents indicate that a broker or insurance agent (44%) is the preferred source of information, followed closely by the insurer (41%) and comparison websites (30%).
- In general we notice that consumers make use of comparison sites, less than they would like to (17% actual vs. 30% desired)
...but strong differences exist between the different consumer segments

- There are large differences between consumer segments. If we look for instance at decision makers between 19 and 30 years of age, 39% indicates that the insurer is the preferred information provider, while friends and family (39%) are also very important in the orientation.
- Intermediaries are still important but to a lesser degree (35%)

**RECOMMENDATION**

Understanding and considering the differences between consumer segments and their preferences regarding the source of information can be incredibly useful.

Knowing that people under 30 years of age depend heavily on their friends and family for input when looking for an insurance product, suggests that peer recommendation mechanisms could work well in this case.
Insurers are the most preferred party for consumers to request an insurance quote

- In general consumers indicate that the insurance company is the most preferred party to ask for an insurance quote, followed closely by insurance intermediaries (agent or broker).
- Young consumers between 25 and 34 years of age have an even stronger preference for insurance companies to provide an insurance quote. For this segment the bank is also more preferred than insurance intermediaries.

**RECOMMENDATION**

Offering a frictionless, easy way for consumers to get an insurance quote directly from the insurer could be an important step in meeting customers’ expectations in the customer journey of requesting a quote.
Channel preference differs strongly between consumer segments

- In general respondents indicate that, to receive an insurance offer, a personal conversation is the channel of preference (57%), followed by e-mail (42%) and the website (33%).
- There is a discrepancy between the channel of preference and the actual used channels to receive an offer. People don’t seem to be able to use the website and mails as much as they would like.

RECOMMENDATION

Understanding and considering the strong differences between consumer segments and their (channel) preferences is essential. Consumers expect the possibility to use digital channels to request a quote.
The experience of the claim process appears to be generally satisfying. 74% of consumers who had experienced a claim in the last 2 years indicated it was a positive or even a very positive experience. 12% of consumer indicate they had a negative or very negative experience.
Consumers are willing to share driving behaviour data, but not personal data

- 50% of respondents state they are (certainly or probably) willing to share driving behaviour with their insurer. Only 19% say they are not (probably not or not at all) willing to share their driving behaviour data.

- Of the people willing to share driving data, 52% expects a cheaper policy in return. 32% expects a more personalized coverage and 15% a better follow-up.

- In this case only 11% state they expect nothing in return.

**RECOMMENDATION**

While most UBI propositions for ‘car’ focus exclusively on price reduction. These findings however suggest that other elements such as a more personalized coverage and better follow-up can be distinctive and relevant elements for consumers.
Digital brands already hold significant relevance, without existing insurance propositions

- Big players from the digital economy, such as Amazon, Apple and Google, have yet to make an entrance in the (Belgian) insurance industry. Even without any prior insurance contact as of yet, they would already be considered by 31% of all consumers.

- These brands have built up sufficient credibility elsewhere to be considered by almost half of consumers under 35, for Home (44%) and Car (44%) insurances.

- If these brands decide to enter the insurance market and offer a digital customer journey similar to that which they offer today in other products, these results may grow exponentially.
CLOSING NOTES
Understanding customers’ expectations to boost innovation in insurance

- With our unrivalled expertise in customer centric innovation and customer experience improvement, VODW Brussels aspires to boost innovation in the insurance industry, based on a deep understanding of Belgian consumers.
- We believe consumers should be at the heart of innovation.
- To accelerate innovation and keep track of Belgian consumers’ expectations VODW Brussels launches a recurring bi-annual consumer barometer on insurance and online.
- We believe in co-creation and collaboration. Together with key players in the insurance industry we believe can realize and exceed Belgian consumers’ expectations.
ABOUT VODW
& THE AUTHORS
For big companies who need to be faster

CUSTOMER CENTRIC INNOVATION AND DIGITAL TRANSFORMATION
100+ EXPERTS IN THESE DOMAINS

- STRATEGY & INNOVATION
- CUSTOMER EXPERIENCE
- INNOVATION EXECUTION
- DIGITAL TRANSFORMATION
- MARKETING INTELLIGENCE
- STRATEGIC PLANNING
- PROCESS OPTIMIZATION
- SALES EXCELLENCE
A UNIQUE COMBINATION OF COMPETENCIES

- Digital strategy
- Market research
- Customer Journey Insights

- Baseline definition
- Predictive analytics
- Business Intelligence
- CJ metrics
- Monitoring pilots

- Ecosystem
- Tooling selection
- Impact assignment
- Testing
- Automation

- Design Sprint
- Design Principles
- UX & UI
- Prototyping

- Collaboration
- Experiment
- Imagination
- Support
- Capability building

- Business strategy
- Creative
- Marketing Technology
- Transformation Management