

## African insurers must innovate to attract digital consumers

Insurers who are able to innovate when it comes to the design and delivery of products and services will not only be fostering greater loyalty amongst their consumers, but they will also be helping to change the perception that the insurance industry is still playing catch up.



Clinton Brown

"African insurers have a great opportunity to improve business models and solutions in order to improve their experience and increase customer satisfaction," says Clinton Brown, [SSP](#) Business Development Manager. "A [recent Celent survey](#) on innovation showed that consumers expect a high degree of innovation from their financial service providers, especially when it comes to service delivery. However, while most financial services professionals agree that innovation is essential for relating and engaging with customers only a minority identify innovation as a critical part of their companies' strategies."

This is particularly true for "digital" consumers who are active in managing their finances and expect their insurers to be innovative. These consumers reported that they used technology-driven tools such as GPS location, online purchasing, mobile and video streaming, etc. Conversely, consumers who were less digitally inclined reported that they used three or fewer of these technologies.

"Innovation will be most widely accepted and celebrated amongst your early digital adopters consumers, so focusing technological improvements on this target group will have the highest probability of success," Brown explains. "However, even within the digital consumers, enthusiasm for these initiatives varied by age group, suggesting that a broader, more experimental approach might most successfully resonate across the entire customer base."

When it comes to appealing to the less digitised consumers, innovations should be positioned as simple, non-technical solutions to everyday problems. "Invest some resources in surveying and polling this customer base to find out what these solutions could be," advises Brown. "Simply by starting these conversations, you begin to raise this target group's awareness of the value of innovation."

Administration service areas such as claims, online and mobile services, represent the most immediate innovation opportunities. Sales and product innovations will appeal to certain consumers, but for broad consumer resonance the clear focus should be service. Brown cautions that innovation around products and new ways of doing business will require more buy-in from the consumer, especially if it requires a change in behaviour and necessitates the consumer giving up their personal data in exchange for the benefit.

The expectation to innovate is forcing insurers to question how they relate and engage with their customer

and in a landscape where more and more consumers are becoming digitised, they are also becoming more aggressive in their demands for improved services. Insurers that illustrate progress in this area will win and keep their customer's loyalty.

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