

Choosing the right channel could change the face of insurance

By [Werner Lindemann](#)

18 Feb 2021

Unless insurance companies take the plunge into an omni-channel world, it faces some very real challenges this year. The insurance sector could face its Rubicon in 2021. Despite evidence showing both the cost saving benefits of digital channels as well as customer preference for them, a recent McKinsey report highlights that while digital adoption is a healthy 70% in banking, it is just 35% in insurance. With the growing threat of disintermediation by other sectors, as well as disruption by insurtech offerings.



Werner Lindemann, Clickatell senior VP commercial: Middle East and Southern Africa

Beyond the bot

Many insurance companies have missed out on meaningful digital adoption by simply deployed bots and believing this satisfied their digital requirements. It is never long before the results of this short-term approach rear their head.

Most African enterprises (including Insurers) are dead set on deploying bots, but many had not properly thought through what the architectural stack requirements would be.

Each time companies deploy a channel there are three components they need to think about.

1. Deciding which channel they want to use to connect with their customer. Web chat, which was initially the darling of chat, poses a real problem as it's not asynchronous and there is no way to retain chat history – a vital requirement in delivering a good customer experience and keeping records of document exchange, especially in a service industry such as insurance.
2. The architectural stack which needs to be considered is the orchestration layer. Most companies build a bot without thinking about how it will connect with the various channels and how it will behave on WhatsApp, SMS and web interfaces. This lack of channel cohesion does not leave the customer with a good omni-channel experience, sometimes putting them off the digital channels altogether.
3. The ability to hand over to a live agent when the bot starts sounding stupid. This last part of the stack is often overlooked or not thought through properly, leaving the bot strategy incomplete or messy and resulting in a very poor customer experience.

If you don't integrate properly you lose the ability to provide decent customer experience, that will drive potential upsell in the medium term. This is the death knell when it comes to deploying a good omni-channel experience.

Chat to the rescue

To reach customers where they are, chat is the key channel for Insurers.

Complex products like insurance generate numerous requests for information, updates, and more. Many of these requests are fairly simple, making chat the perfect choice. We know that mobile-first consumers prefer to deal with straightforward interactions the same way they'd make or change a coffee date with a friend, via chat. Using this channel means consumers get fast answers to easy questions, and a live chat agent can take over if needed.

International research supports these sentiments According to [research](#) sponsored by IBM, global businesses spend \$1.3trn on customer service calls each year. Of those types of assisted interactions, 80% could be resolved with automated responses.

In an increasingly competitive environment, insurance companies will need to differentiate themselves through outstanding customer experience. In addition, the pressures of a pandemic economy have also put a renewed focus on driving down costs.

Chat is showing itself to be the hero in rapid digital transformation. Serving your customers over the channel they prefer to use is the first and most important building block of good customer experience. Chat also drives increased convenience, higher engagements, decreases the time to revenue and reduces the cost to serve. Placing chat at the centre of your omni-channel experience is the best way to ensure success.

ABOUT THE AUTHOR

[\[\[https://www.linkedin.com/in/wernerlindemann/?originalSubdomain=za Werner Lindemann\]\]](https://www.linkedin.com/in/wernerlindemann/?originalSubdomain=za) is Clickatell's senior VP commercial: Middle East and Southern Africa

For more, visit: <https://www.bizcommunity.com>