

Chat holds the key to future innovation in insurance

Sixty-four percent of African insurance organisations are stuck in the early and middle stages of digital transformation, with just 11% at a most advanced, or optimised stage, where the insurer is aggressively disruptive in using new digital technologies.



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The Covid-19 pandemic has triggered many in the sector to accelerate their digital initiatives, with 62% advancing plans by one year, while 14% accelerated their digital roadmaps by two years, Mark Walker, IDC associate vice president, sub-Saharan Africa, said at Clickatell's webinar for the African insurance cluster.

He said that, according to 2020 MEA CIO Survey, the biggest expectation of digital transformation from business was an improvement in the customer experience. The future of insurance would see a move from the traditional channels of agent and broker supported by websites and call centres to an omni-engagement environment involving traditional channels, as well as new digital channels including mobile and social networks.

The importance of a strong omnichannel strategy was affirmed by the attendees in the results of a virtual poll taken after the keynote, which showed that 90% of respondents saw chat as a catalyst to their digital transformation drive.

Contextualising the power of chat's reach, Werner Lindemann, Clickatell senior vice president, commercial, Middle East and Southern Africa pointed out that chat is now surpassing the reach of social media with chat platforms serving 5.8-billion

users, while social media serves 4.6-billion users.

Research from WhatsApp shows that 81% of customers would message a business to find out about products or services, 75% to receive support, and a healthy 74% would use chat to connect with a business in order to make a purchase, he said.

The second virtual poll underscored the importance insurance players placed on chat with almost 50% of attendees saying they had already implemented chat functionality in their digital offering, 42% saying they were planning to so this year still, and just 11% saying they had no firm plans for chat, as yet.

“The insurance industry has a lot of catching up to do. Customers have expectations of how they want to engage with all of their brands, including the more traditional insurance companies. In 2017, when the chat economy emerged we saw banking leapfrog into the new era, but it has taken the insurance companies some time to transform out of the call centre era and realise the efficiencies of chat,” said Pieter de Villiers, co-founder and CEO at Clickatell.

Discovery case study

Sharing his experience of the digital transformation journey, Kreegan Govindsamy, head of product management at Discovery Holdings, looked at the benefits of chat and its role in Discovery’s future. “We now have the ability to offer interactive messaging, which has use cases across the entire customer journey. All the way from leads generation to sales, onboarding engagement, and if needs be, credit control and conservations. I think the use cases are becoming more widely adopted as a means to support and enhance human-based interactions.”

Looking ahead, Govindsamy said Discovery would be looking at using its chat architecture or conversational AI architecture to experiment with video and voice as a means to enhance the conversational offering.

Wrapping up, De Villiers pointed out insurers in Africa would need to ensure their products were tailored to the market with a focus on micro or pay-as-you-go insurance. They should also not neglect billing and collections which, fortunately, could also be supported by digital channels. “Insurance providers in emerging markets have an opportunity to leverage the additional reach made possible through chat commerce, expanding their total addressable market by up to three times with micro insurance products,” de Villiers said.

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