

Self service must go hand-in-hand with personalisation to cater to all

By [Vis Govender](#)

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For decades, we believed that insurance was simply too complex an industry to ever go digital. Today, digitalisation is a key driver of value, innovation, and growth in the insurance industry. We're seeing insurers race towards the future by adopting emerging technologies such as artificial intelligence (AI), machine learning (ML), process automation, and digital marketplaces to provide a positive customer experience and meet the ever-evolving demands of consumers.

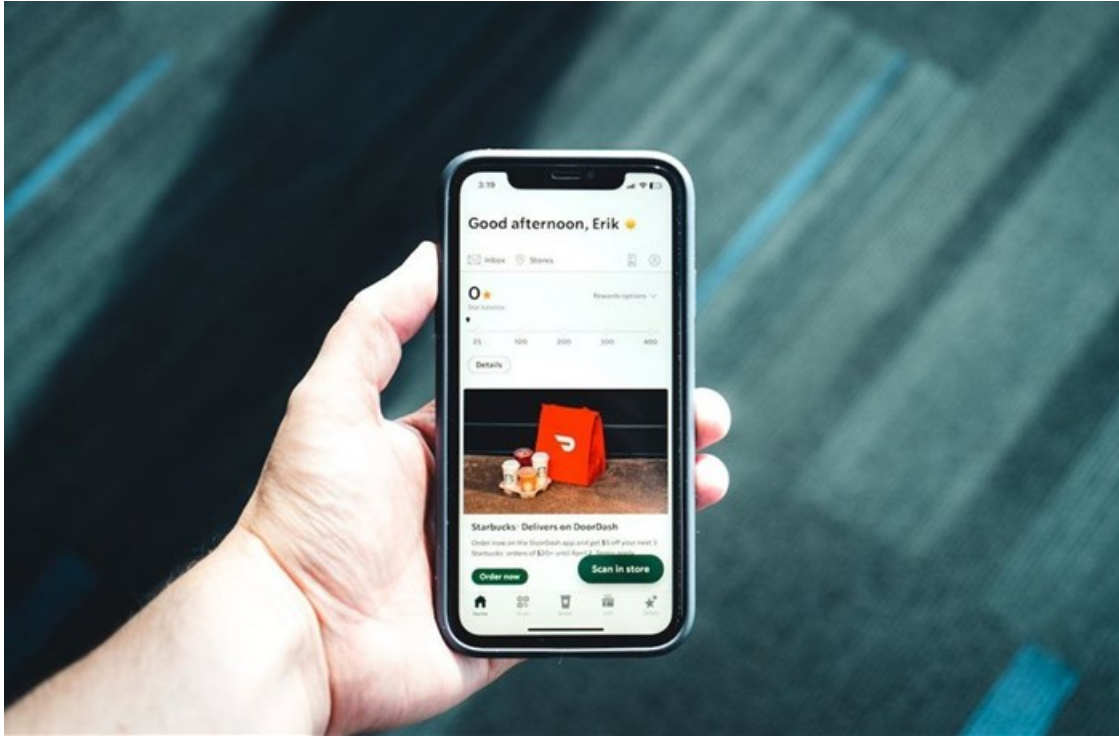


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There is no doubt that service quality has a fundamental impact on a business' market share, and one of the most impactful ways to enhance this is through digitalisation of the customer experience and self-service technologies.

We're seeing an exponential growth in digital penetration, especially within the personal (home and car) insurance sector, which is being facilitated by the many click-to-buy digital marketplaces and online comparative quoting services provided by both new entrants and incumbent insurance companies.

The efficacy of service quality is increasingly being defined by the availability of these self-service capabilities, often enabled by AI, ML, smart comparative tools, and robo-advisors that support clients to do-it-themselves.

In fact, an Accenture 2020 report predicts that a staggering \$280 billion of traditional premiums will shift to digital self-service channels by 2025, and this trend will grow at a CAGR of almost 14%, according to Databridge Market Research.



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Younger generations, like millennials and Gen Z are key drivers in the adoption of self-service tools and technology. They increasingly look for digital-first customer experiences, which in turn compels companies to adopt these technologies in a bid to better engage with this new customer base.

In the insurance industry, this has manifested in the deployment of self-service portals, which enable customers to access and manage their insurance policies, file claims, access documents, or get answers to urgent questions and queries.

Because of the significant appetite from younger generations for more digitisation and less human interaction, there is a common misconception that older generations are on the other end of the spectrum - that they don't like, understand, or are afraid of self-service technologies. But it's simply not as black and white as you might think, on the Everything. Insure digital marketplace, we see 70+ year olds using the self-service features as readily and easily as a Gen Z user, for example.

Don't alienate older generations in the bid for digitalisation

With the significant purchasing power of younger generations (the largest generation in the world - Gen Z - having reached an estimated \$100 billion while most of them are barely 21) and the assumption that older generations are uninterested in digital interfaces, it can be easy to gear all self-service platforms to younger generations only. But this would be a grave mistake.

If we look at the banking sector, for example, which has been a rapid adopter of digital and self-service technologies, most Gen Zs have never really had to walk into a physical bank branch to open a banking account, make a deposit or withdraw funds, or even speak to a financial advisor.



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On the other side of the coin, Boomers have long been acquainted with the stress and difficulties of needing to speak to a teller face-to-face and having to set aside an entire day to go into the bank just because of the queues.

It's this unique experience of the challenges that come with the way a customer traditionally had to engage with a business that has driven the desire of older generations for the convenience and ease of access of digitally-enabled self-service.

In fact, recent studies show that Boomers are growing increasingly comfortable with digital options, with one study noting that 85% of Boomers said they wished more businesses had digital options available.

A recent PlayUSA survey found that self-service had become a preferred purchase method. And though Gen Z, Millennials, and even Gen X consumers were in the lead in its adoption, Boomers were not far behind, with 46% saying they preferred

using tech-based checkouts.

Catering to cross-generational needs

So, now that we know that Boomers are happy to use self-service where it enables convenience, we also need to acknowledge that there are some caveats to this. Older generations still have reservations about the loss of personalisation that comes from self-service interactions.

A 2018 Earnix report found that customers want real-time product personalisation with 89% of respondents expecting that, within five years, it will be standard market practice for insurers to offer market-of-one personalised insurance product bundles. Traditional insurers with their physical and paper-based products, were unable to offer this individualised personalisation that the new digital marketplaces and insuretechs manage to easily facilitate with their agile technologies, dynamic user interfaces and virtualised products.



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As personalisation plays a critical role in ensuring that customers feel valued, it's important to maintain this authentic connection with customers while enabling more convenience for them through self-service tools.

A purely digital self-service model will become frustrating for most customers at some point in their journey with you, so an omni-channel model is critical. Most people, across generations, like to have the option to speak to another human when needed - for instance, when dealing with complex or time-sensitive issues. And, in the insurance industry, like in banking, self-service is also not suitable for all types of transactions.

That's why there's a need for businesses to balance convenience with personalisation by enabling customers to tailor your product offering to suit their needs and to use whatever means they prefer to interact with you. By considering how the technologies you adopt will impact your customer, you can ensure you are always providing quality customer service and support while innovating for the future.

ABOUT THE AUTHOR

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