

Customer loyalty and the *Digital*SM
transformation in P&C and life insurance:
Global edition 2014

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Executive summary

Customer loyalty has been tough to come by in the insurance industry, especially for life insurers that traditionally have far fewer interactions with customers than, say, retail banks. Yet in most countries, for both the life and the property and casualty (P&C) sectors, one or two insurance carriers manage to excel in earning their customers' passion and advocacy.

Why dwell on loyalty? Because there's ample evidence that loyalty improves a carrier's economics and leads to sustained, above-market growth. Customers who are loyal promoters of their insurers stay longer, buy more, recommend the company to friends and family, and usually cost less to serve—with the mix of these forces dependent on the particular market and type of insurance. In the US, for instance, Bain & Company analysis shows that a promoter's lifetime value is worth, on average, nearly seven times that of a customer who's a detractor of the carrier and two to three times that of a passive customer.

Bain's new survey of 158,422 consumers in 18 countries sheds light on how various customer segments perceive their P&C and life carriers, what customers want from their carriers and how they behave, and how different distribution and interaction channels influence loyalty. The research was conducted online over six months in 2013 and early 2014 through Research Now for the great majority of respondents and through Survey Sampling International (SSI) for additional respondents in Asia.

The survey measures loyalty by calculating the Net Promoter ScoreSM (NPS[®]) for each insurance company, derived from responses to this question: On a zero-to-10 scale, how likely are you to recommend your insurer to a friend or a colleague? Based on the scores they give, respondents are classified as promoters (9–10), passives (7–8) or detractors (0–6). NPS is the percentage of promoters minus the percentage of detractors.

Many insurers appreciate the merits of loyalty, of course, and they collect and measure feedback from customers. The problem is that few act on the feedback in ways that put the customer's perspective and priorities at the center of the business. Feedback that doesn't lead to action is meaningless. Truly customer-centered companies analyze the feedback to identify patterns and take actions that will improve the customer's experience, based on how those actions will affect the economics of the business.

A customer-centered approach thus remains a radical departure from most insurers' internally focused stance, which assumes the agents are the customers. The traditional organization tends to focus on products and financial considerations, especially in-year measures.

In a business built around loyalty, by contrast, the salesforce serves end customers, whether they are new or existing. Technology doesn't just support and automate internal processes; rather, it's deployed to accommodate customers' priorities in ways that can actually delight them. Digital and physical channels fuse into a *Digital*SM approach that customers now demand. And firm economics improve not only through financial and technical engineering but also through the financial benefits of loyalty.

A few insurers that have become loyalty leaders in their markets have moved well beyond surveying customers to systematically looping back survey responses to frontline employees and managers. Based on that ongoing

feedback loop, they've made significant changes to products and processes in order to improve the customer's experience at critical touchpoints and episodes.

In one of Allianz's European life and health insurance operations, for instance, feedback revealed that customers had to call back repeatedly about the status of payments and were expected to describe their medical conditions again and again. An Allianz team figured out a process solution: On the initial call, a case manager would be assigned to the policyholder and handle all contact until the claim was resolved. Any delay in the reimbursement process would trigger a call or text message informing the policyholder of the claim's status. Soon after implementing the new protocol, the claims unit saw a double-digit increase in its NPS and a significant rise in policy renewal rates.

Putting customers at the center of the universe requires top management's commitment to invest in redesigning products, refining processes and consistently delivering on what the company promises customers. The customer focus needs to become part of the organization's very DNA, from the CEO's agenda right through to frontline employees and to third parties such as repair shops.

While earning goodwill among customers is necessary, it is insufficient for generating superior revenue growth. Leaders must also motivate customers to actively promote the company. Bain's research and client work suggest four specific steps that are essential to succeeding with a customer-centered distribution and service model.

1. Decide where you must win and where you can afford to lose

Loyalty leaders know they can't be all things to all people. They either started with a mandate to serve a narrow segment of customers—as is the case with most mutual companies—or they decided to define a narrow segment and put the needs of those customers first.

In the UK, for instance, Admiral's in-vehicle telematics system, called LittleBox, aims to reduce auto insurance premiums for young customers with safe driving habits. Sheilas' Wheels targets safe female drivers, with lower premiums and tailored branding messages. In Asia, a number of insurers have refined their offerings for affluent, high-value customers and wrapped them in premium services, including regular check-ins by agents or financial advisers.

Other attractive new segments have been developed based on behaviors and interests rather than basic demographics. Discovery Holdings, a major insurer based in South Africa, has generated exceptional growth over the past decade in part through its Vitality program, which appeals to people committed to healthy living. Vitality members accrue points for demonstrating certain healthy, safe behaviors—reinforced through discounts on gym memberships and healthy foods, as well as by installing tracking devices in cars—which they can redeem for rewards from other vendors. Vitality has built a healthier book of business with a better risk profile and a lower cost to serve, and has helped Discovery maintain a very loyal customer base.

2. Selectively invest in moments of truth

Being in touch regularly and in meaningful ways with customers builds loyalty both in P&C and life, Bain's survey shows. During moments of truth such as filing a claim, it's vital to exceed customers' expectations and

deliver a level of service and support that leaves strong positive impressions. This does not mean simply offering more generous payment policies; our survey results show that the initial filing of a claim often has a higher potential to delight than the subsequent payment.

Regular communication containing useful, relevant information reinforces those impressions. Affluent customers, in particular, place a high value on regularly staying in touch. That's a departure for some agents who live mainly by commissions for new sales and thus have little incentive to nurture relationships with current customers.

Many carriers have underinvested in touchpoints where they communicate directly with customers relative to those touchpoints handled by agents, so carriers will want to improve the functionality of their direct touchpoints. In many Asian countries, for instance, there's a trust deficit between younger customers and traditional agents, who are perceived as being too mercenary in their interactions. Some challengers and incumbents in Asian markets, therefore, are betting on alternative channels such as direct (Lifeplanet, Kyobo's joint venture with Lifenet in South Korea) or bancassurance (AXA), a channel that has reached a roughly 40% market share in new business volumes in certain Asian countries.

Each insurer will want to dig beneath the NPS averages to determine which touchpoints and episodes are most effective at earning loyalty—and how to invest for the specific country and situation. In Italy, reputation plays a prominent role in both life and P&C, whereas claims or advisory services matter more in many other countries. In the UK, insurers lack a strong physical presence, which makes it more challenging to delight customers.

3. In P&C, acquire mostly through price, but retain through product and service innovation

A quandary: Today's fierce battle for new customers in P&C is largely won by price, yet price-sensitive buyers are more prone to switching later for a lower-priced offer. (For the life sector, price matters less than investment returns, except for standardized products like term life, because there's less price transparency.)

One way to deal with this problem is to avoid the most price-sensitive customers and use marketing that emphasizes other types of value, as Allstate has done in the US through advertising that focuses on peace of mind.

Even price-sensitive customers, though, can be converted to loyal promoters through differentiated products and standout service. Indeed, Bain's research shows that loyalty leaders in most countries, such as Liverpool Victoria in the UK and Apia in Australia, excel on both price and service dimensions.

Some product and service innovations depend on digital technologies. In the US, MetroMile has launched an auto policy that sets price by the number of miles driven, made possible by in-vehicle telematics.

Other innovations focus more on management of certain operations like the supplier network. HUK-Coburg, a leading auto insurer in Germany, has assembled a network of 1,300 certified repair shops. Going through these garages saves costs and thus reduces prices, while also providing high-quality repairs and a better claims experience—a combination that HUK-Coburg customers love.

4. Accelerate the transformation to a Digital model

The migration of customers to digital channels started with music retailing, consumer electronics, airlines and hotels. So the bar for insurance companies has been set high by accomplished digital leaders like Amazon in online retailing.

Every country has a significant share of digitally active insurance customers, Bain's survey shows. And digital usage will increase over the next three to five years—but digital channels don't replace physical channels. Customers who use only digital channels give the lowest NPS, since they would still benefit from talking with a person when dealing with complex insurance products or transactions. Multichannel customers give the highest NPS.

This shift in behavior and the attendant disruption present both an opportunity and a threat. Insurance companies can significantly improve the customer experience if they act quickly yet thoughtfully to build out digital channels for transactions and communications, transform their physical networks for higher-value services and redesign their processes to seamlessly integrate their various channels.

Laggards, meanwhile, may get crushed by forward-looking competitors and upstarts that provide a better experience and better service at a lower cost. Consider China's Internet giants Alibaba and Tencent, which recently partnered with Ping An to offer online insurance.

As insurers make the transition to a Digital world, they should target investments in proportion to the value at stake by, say, digitizing processes to both reduce costs and please customers. Case in point: AIA has issued iPads to its agents throughout Asia so they can sit with customers, do a needs analysis and accept customers' digital signatures to allow straight-through processing.

• • •

Every insurance company can benchmark against competitors in its home market and against the best performers globally. The following sections explore customers' behaviors and perceptions in life and P&C, with an eye toward helping insurers understand the factors influencing loyalty.

Insurers that deliver the best customer experience advance against the competition, because they begin with their target customers' priorities and expectations. Earning loyalty figures prominently in their approach.

These leaders rely on a proven approach such as the Net Promoter SystemSM and listen regularly to customer feedback to determine what they're doing right and wrong from the customer's standpoint. They use fast feedback loops so employees learn what customers want, and they harness employees' discretionary efforts to adjust products and customer experiences. Senior executives play a critical role by convincing employees in different parts of the organization to work together and by ensuring that the organization has the tools for making appropriate trade-offs when necessary.

The result, over time, is more promoters and fewer detractors—a powerful engine for sustainable, profitable organic growth.

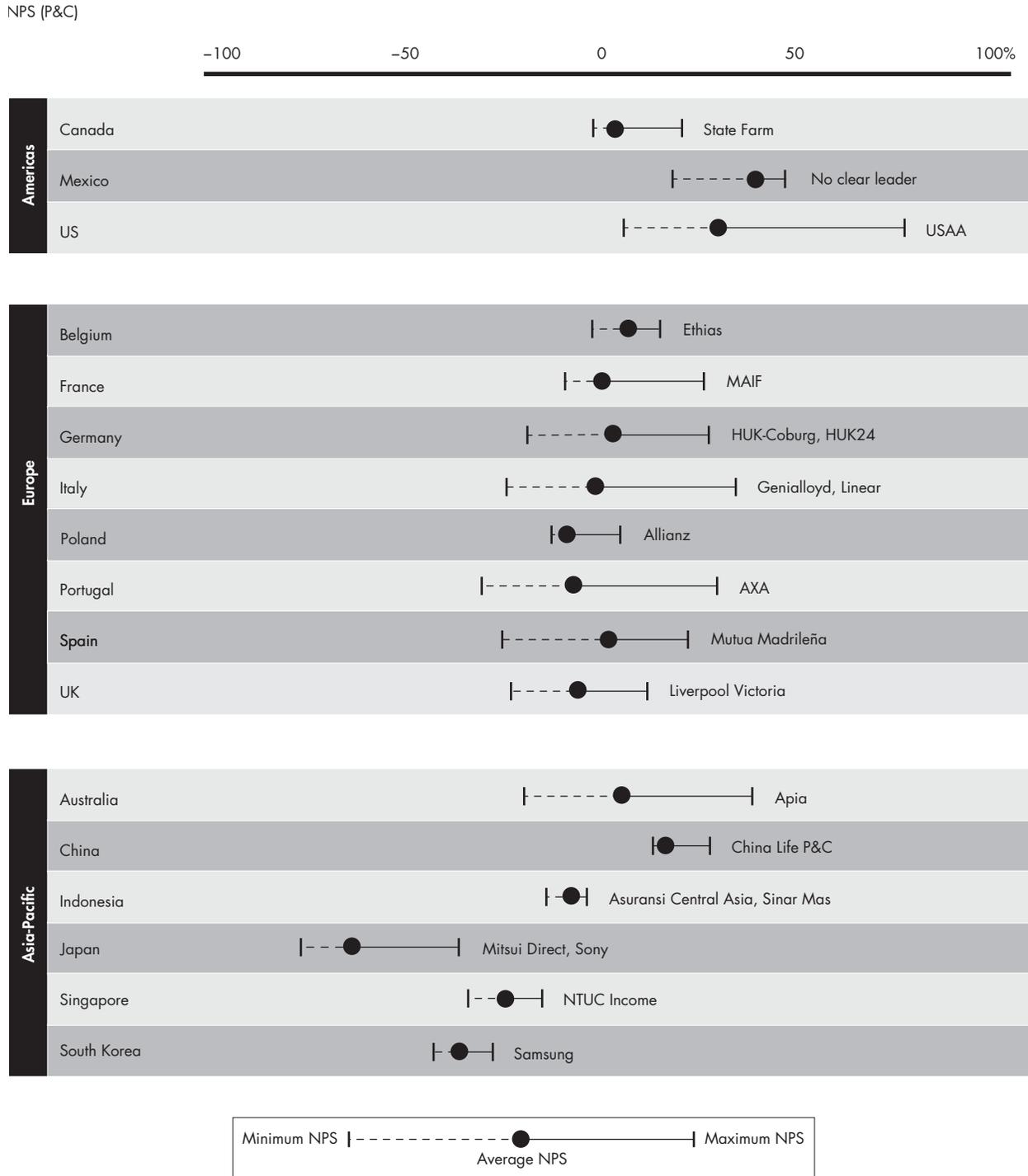


1.

Loyalty trends around the world

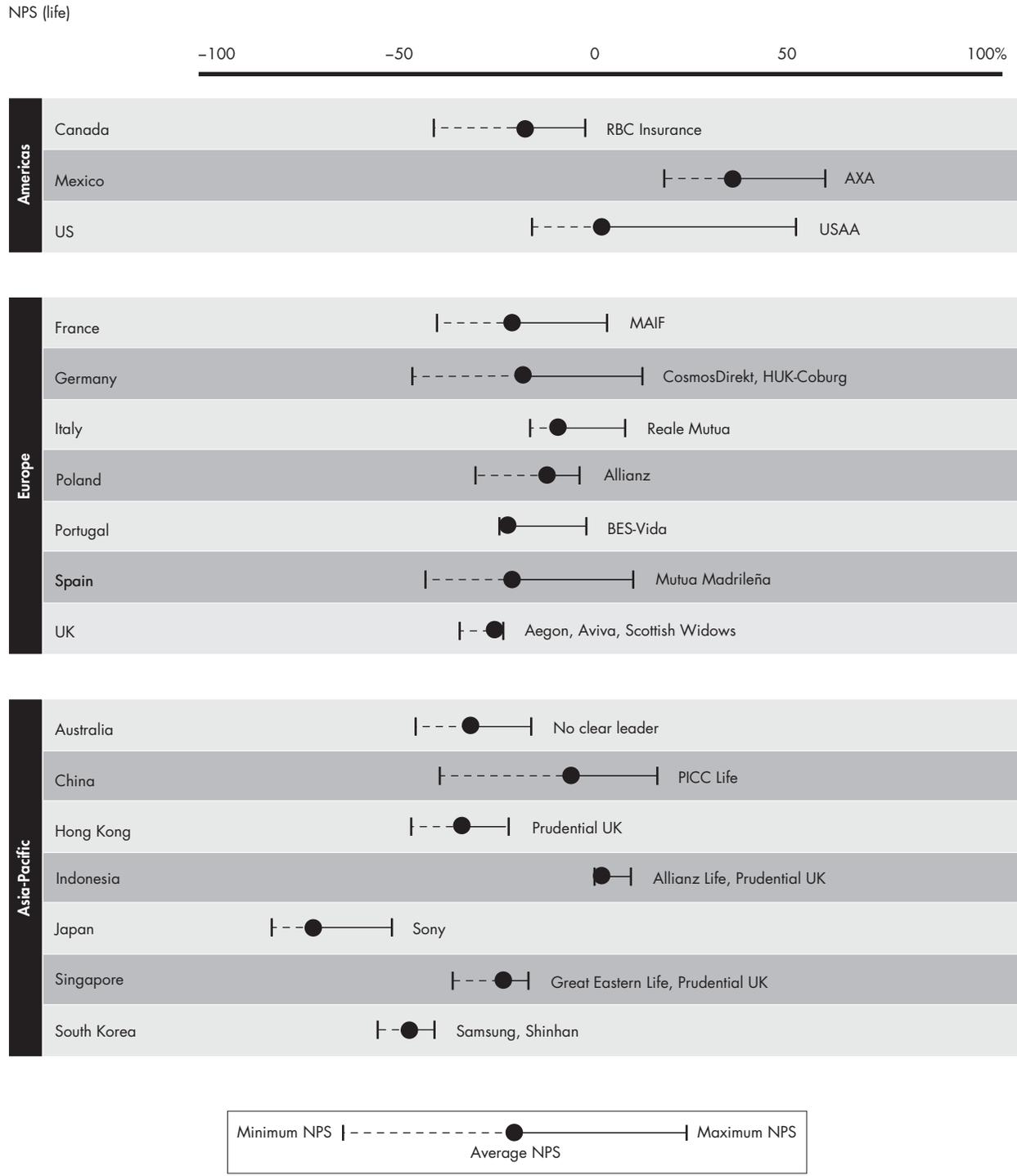
- NPS among insurers varies substantially by country. Because local perceptions and market traits account for some of that variation, it's most useful to compare firms within an individual country. Within many national markets, NPS varies widely. In Australia, for instance, top P&C performer Apia has an NPS that is 57 points higher than the worst performer and 32 points higher than the country's average.
- Loyalty flows through to a carrier's economics. Customers who are promoters of their carrier have a far higher lifetime value than detractors.
- Loyalty leaders in each country tend to be locally based and use a mutual model, whereas multinationals and other local business models have lower NPS. Mutuals often have a customer-centered mindset and experienced salesforces, and they are able to offer lower prices than most other traditional carriers.
- Leaders also are often multiline providers. Customers generally give a higher NPS when they have both life and P&C products with their main provider.
- Although insurance has fewer customer transactions than some industries such as retail banking, being in touch with customers has a large positive effect on loyalty for both life and P&C. Insurers in developing markets tend to have more interactions than do those in developed markets, even adjusting for the fact that their customer bases tend to skew toward newer customers.
- Promoters beget promoters. NPS is higher for people who primarily relied for their purchase decision on a recommendation from someone they know or from social media platforms, or who had a prior relationship with the carrier.

Figure 1: Within each country, there's a wide range of Net Promoter Scores for the P&C sector



Note: Excludes markets with insufficient number of providers that have >100 respondents
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

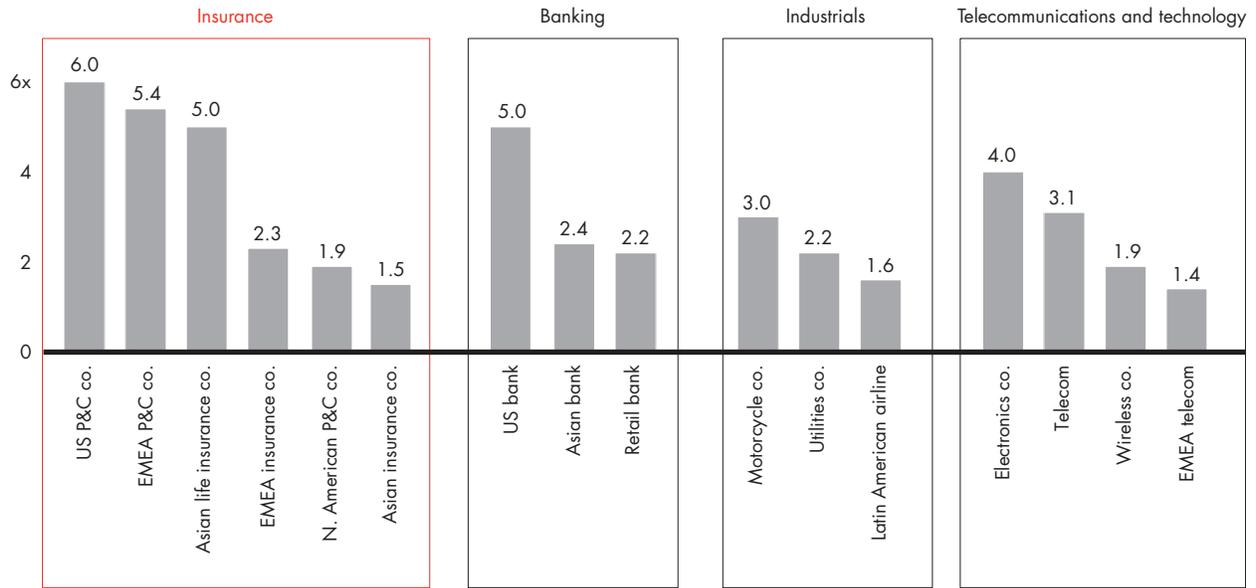
Figure 2: Within each country, there's a wide range of Net Promoter Scores for the life sector



Note: Excludes markets with insufficient number of providers that have >100 respondents
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

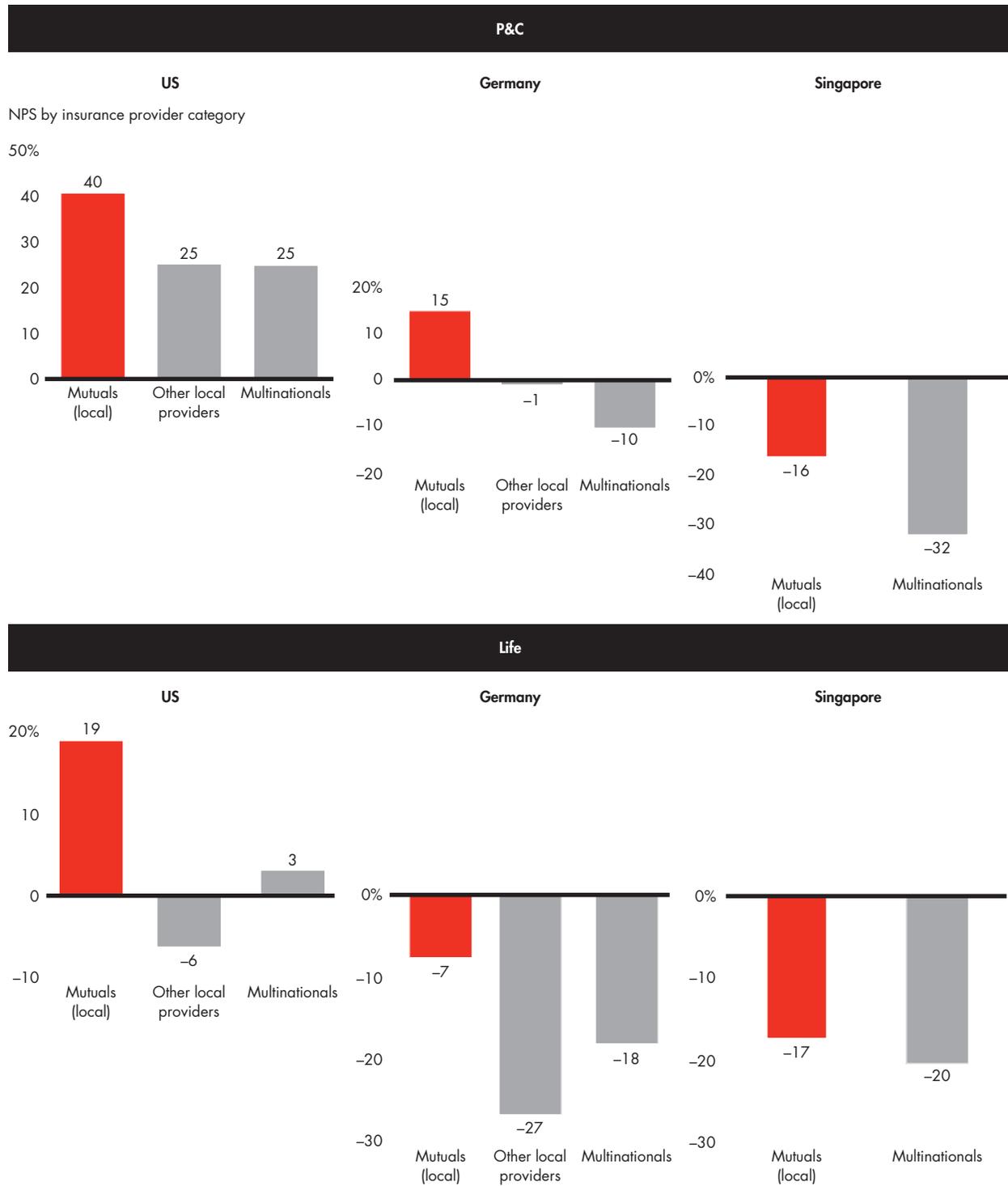
Figure 3: Insurance customers who are promoters of their carrier have a much higher lifetime value than that of detractors

Customer lifetime value (NPV), promoter value indexed to detractors



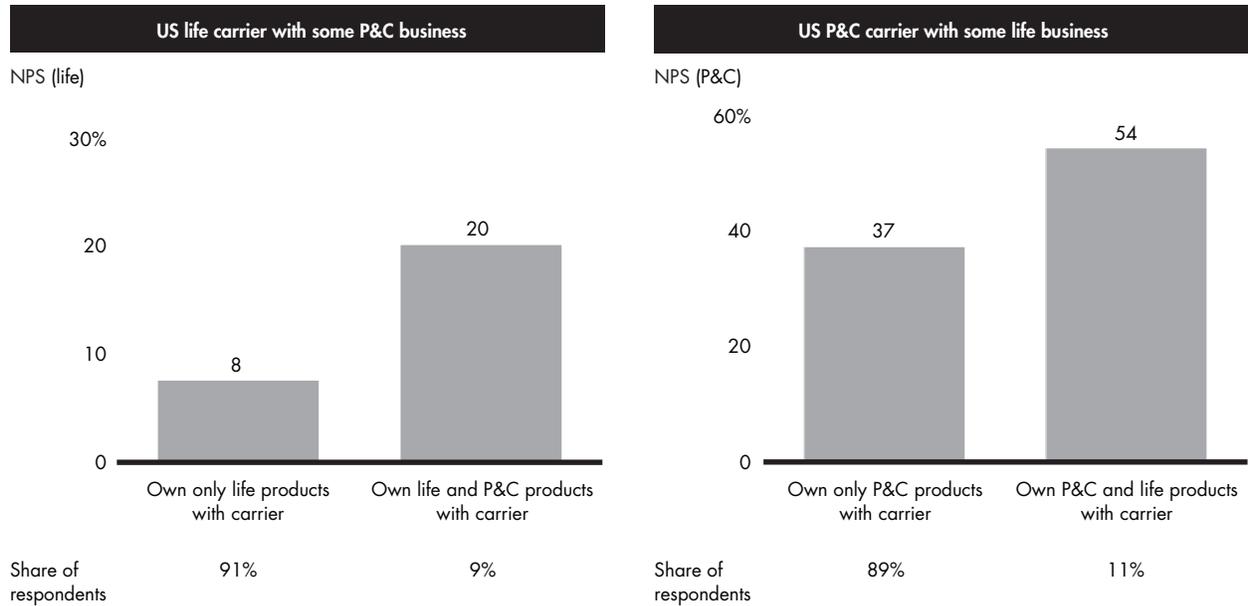
Source: Bain & Company client examples

Figure 4: Mutual companies earn higher loyalty scores than other models



Note: For Singapore, "other local providers" is not shown due to small sample sizes
 Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

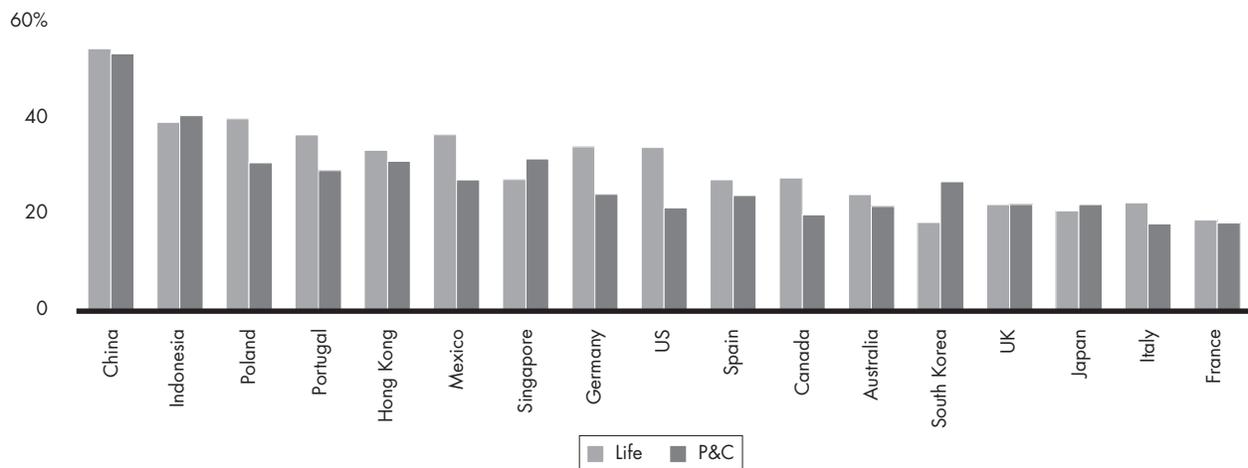
Figure 5: When customers have both life and P&C products with one carrier, they give higher loyalty scores



Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 6: Being in touch contributes to loyalty, and carriers interact with customers more frequently in developing markets

Percentage point difference in NPS for customers who had/did not have an interaction in the past 12 months



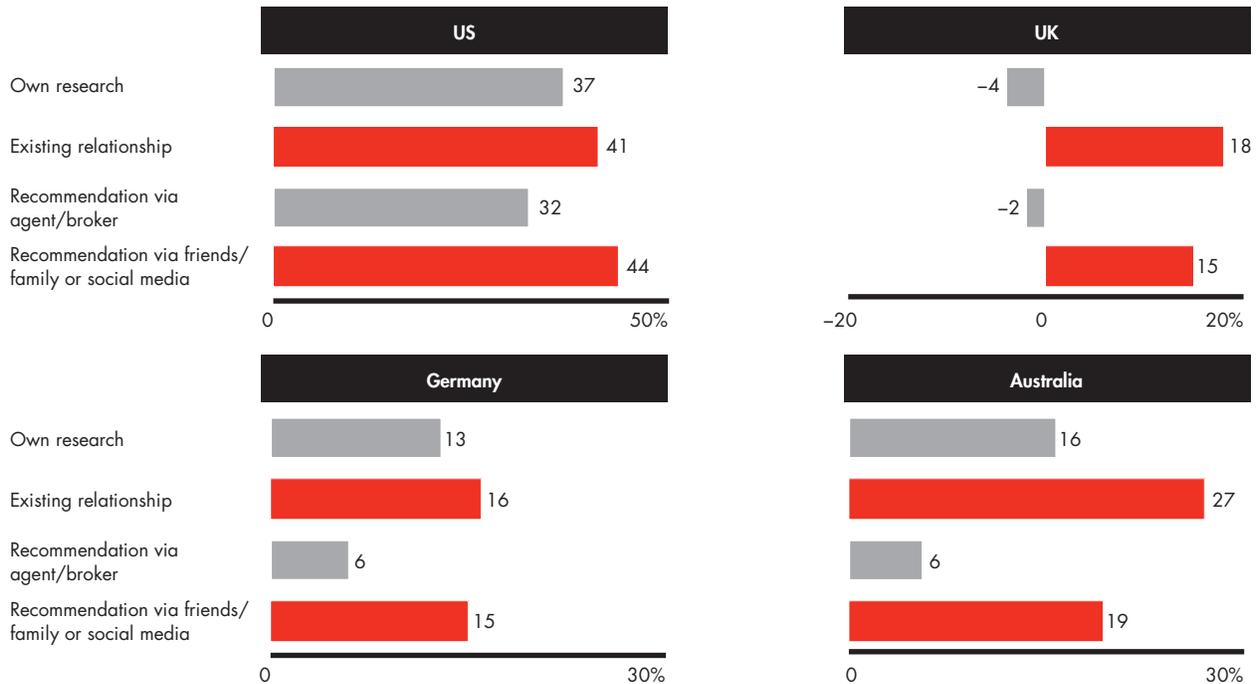
% of respondents with interaction in the past 12 months

| | | | | | | | | | | | | | | | | | |
|------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Life | 82 | 84 | 67 | 51 | 75 | 70 | 62 | 52 | 37 | 55 | 39 | 49 | 71 | 33 | 45 | 71 | 54 |
| P&C | 91 | 83 | 76 | 65 | 72 | 72 | 60 | 57 | 58 | 60 | 54 | 59 | 74 | 54 | 50 | 67 | 65 |

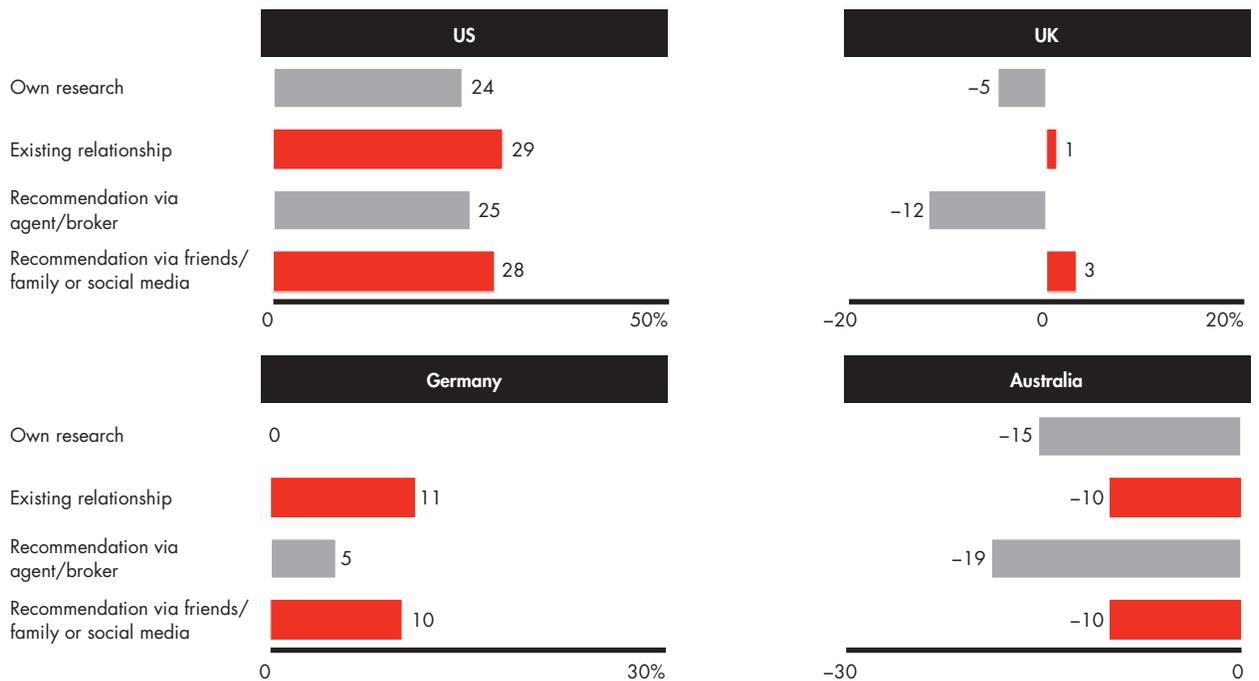
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 7: Promoters foster promoters, as purchasing decisions based mainly on referrals or prior experiences with a carrier lead to higher loyalty scores

NPS by major reason for purchasing (P&C)



NPS by major reason for purchasing (life)



Note: NPS only for customers who purchased a first policy with their main P&C or life insurance provider in the past year
 Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014



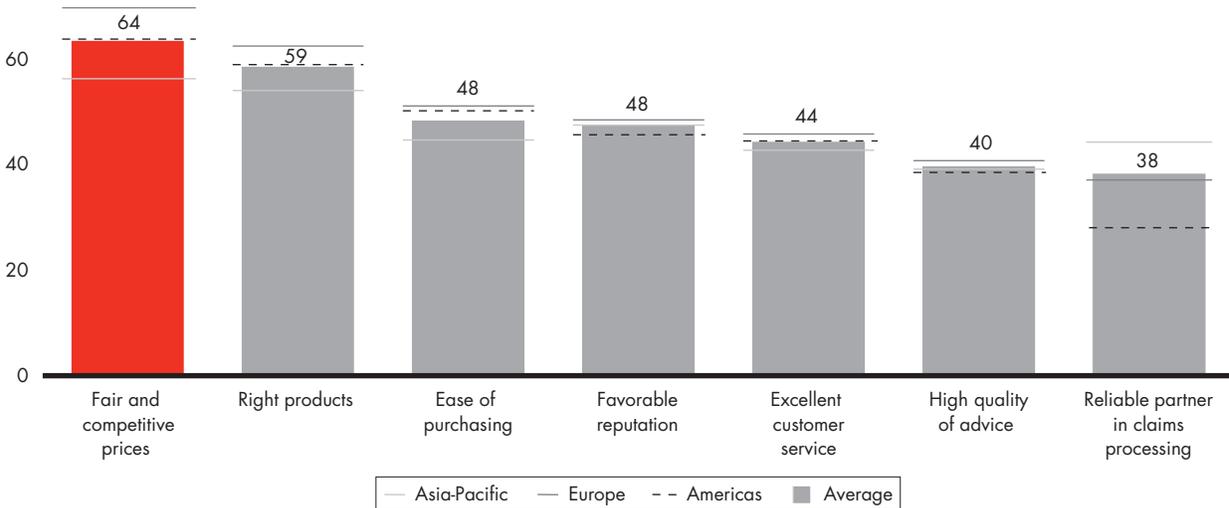
2.

P&C insurance: The battle for customers

- In every country, price stands as the most important purchasing criterion, just ahead of having the right product for one's needs. Price-sensitive buyers, however, give the lowest NPS in the first year after signing up. To reduce churn, companies will need to engage in more meaningful interactions.
- Low prices don't necessarily conflict with good service. Loyalty leaders, such as Liverpool Victoria in the UK and HUK-Coburg in Germany, excel at both price and performance on touchpoints, as perceived by customers.
- The battle for scarce customers is most pronounced in developed markets, where the majority of a carrier's new customers actually switched from another carrier.
- Retention of customers correlates strongly with their NPS for both auto and home categories, with USAA ahead of the pack in the US. And retention has a strong influence on creating lifetime value.
- The importance of cross-selling and referrals depends on the country and the provider. Cross-selling, for instance, weights more heavily in China and Indonesia.
- Customer experience at touchpoints, as well as price, have the greatest influence on loyalty in most countries.
- Excellent claims handling, especially around claims filing and third-party interactions, is critical to delight customers and avoid creating detractors. Even though few customers have a claim at any given time, the experience makes an enormous impression on them. Interactions with repair garages, doctors and other third parties stand out as flash points for frustration.

Figure 8: Price is the strongest purchasing criterion across countries, followed closely by the right product for one's needs

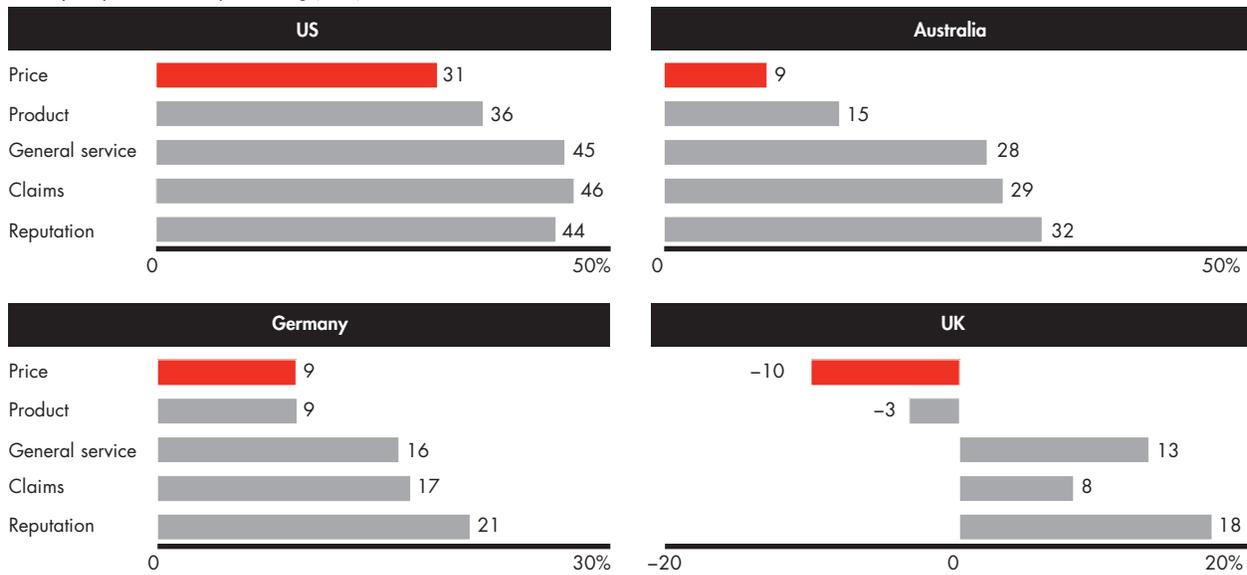
Share of P&C customers for whom the criterion had a major influence on their purchasing decision



Note: Includes only customers who purchased a first policy with their main P&C insurance provider in the past year
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 9: New price-sensitive buyers give lower Net Promoter Scores than those who buy for other reasons

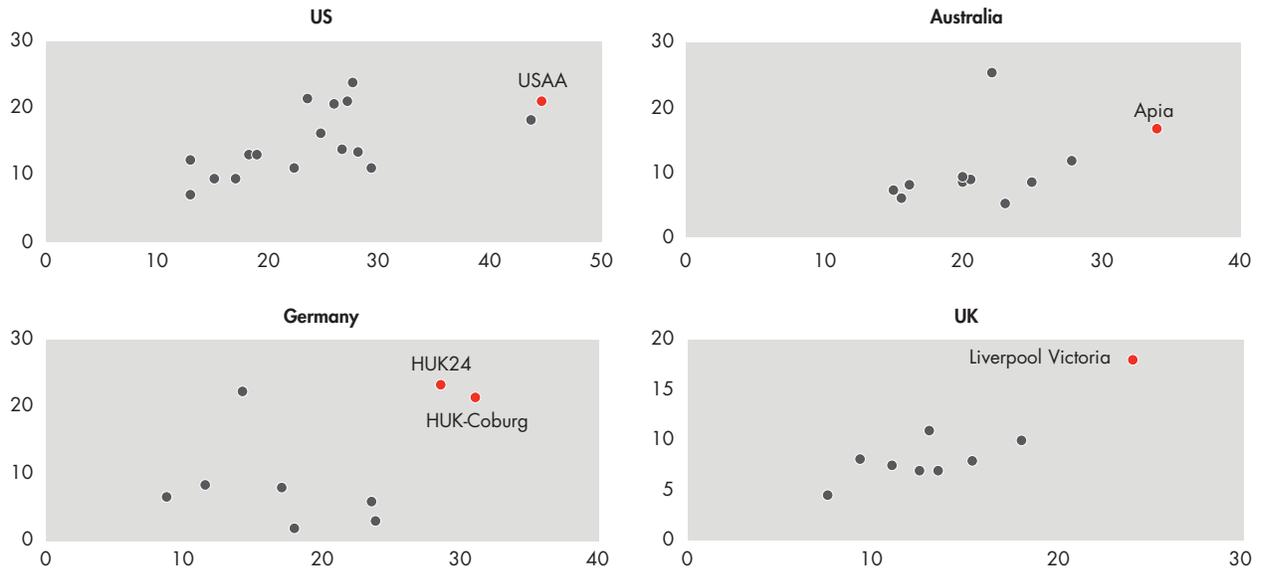
NPS by major reason for purchasing (P&C)



Note: Includes only customers who purchased a first policy with their main P&C insurance provider in the past year
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

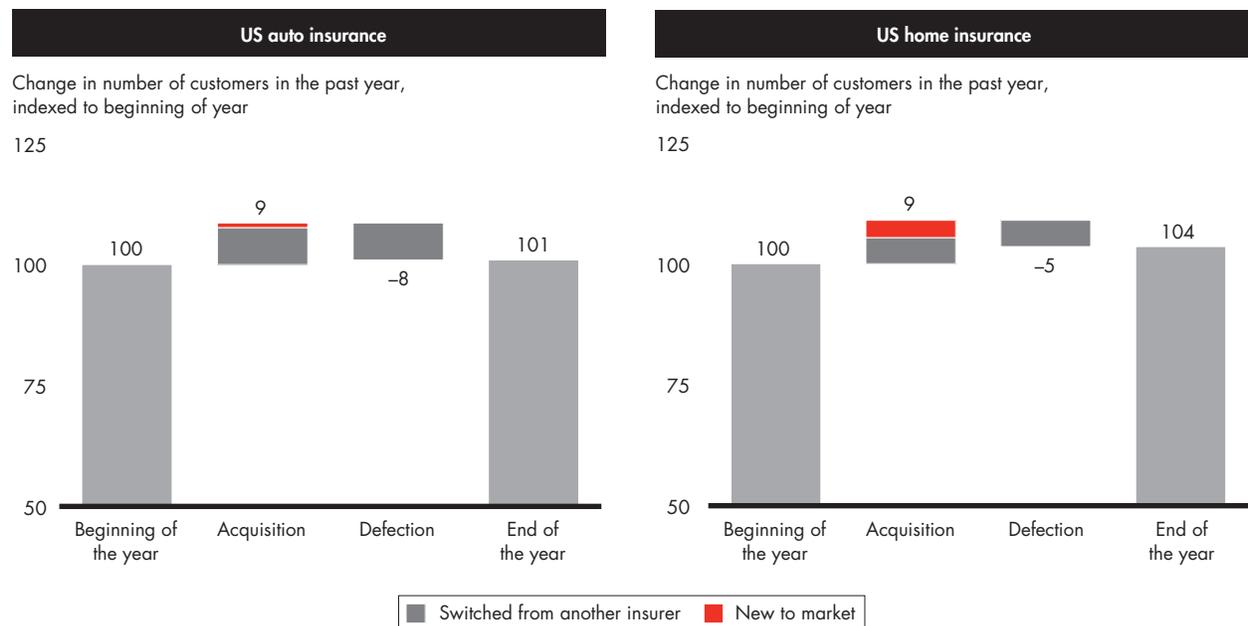
Figure 10: Overall, loyalty leaders complement price leadership with service excellence

Number of promoters' positive price comments (vertical axis) and touchpoint comments (horizontal axis) per 100 responses (P&C)



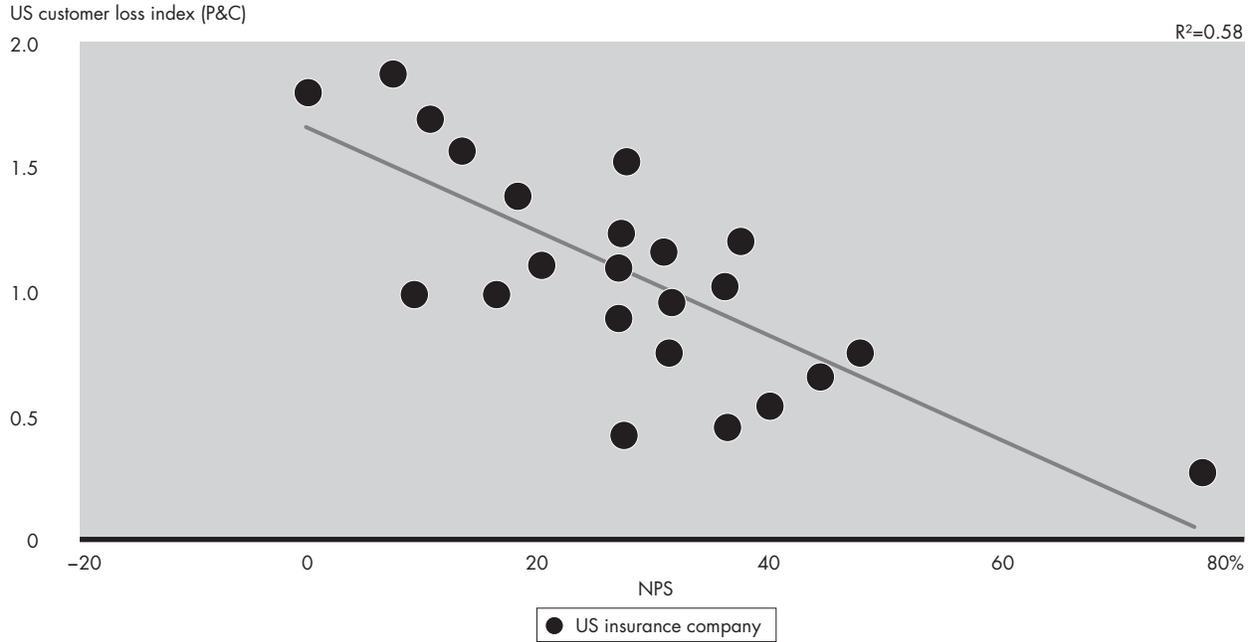
Note: "Touchpoints" include advice, purchasing, claims, service and distribution channels
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 11: In mature markets such as the US, most new customers have switched from another carrier



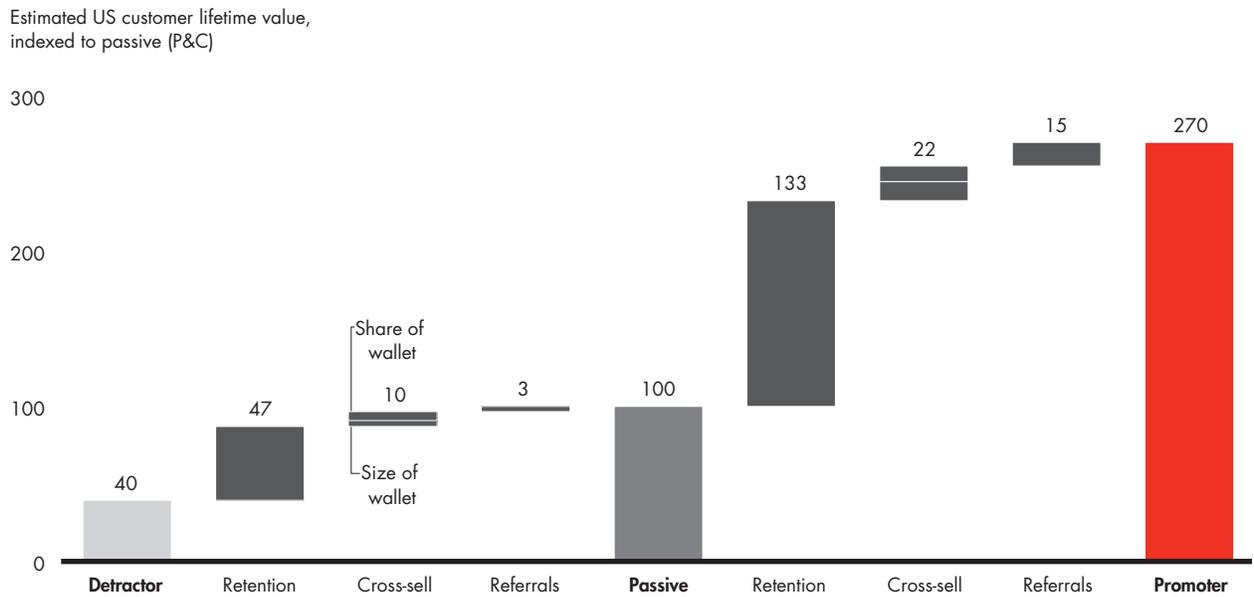
Source: Bain/Research Now US P&C insurance survey, 2014

Figure 12: Insurers with higher Net Promoter Scores have lower defection rates



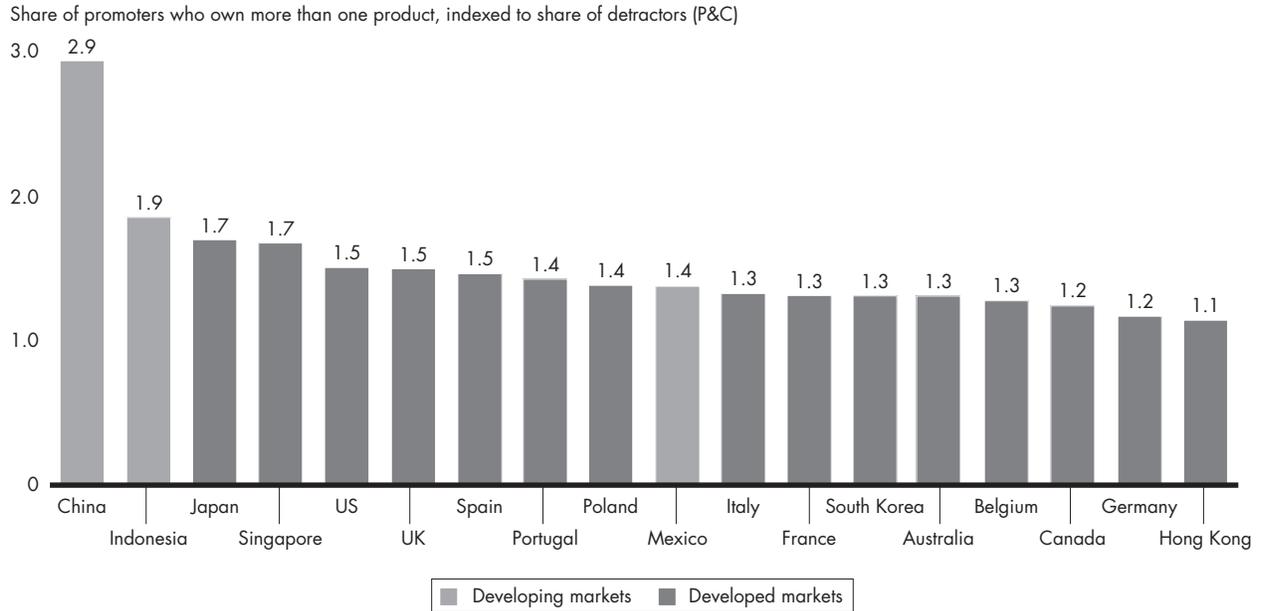
Source: Bain/Research Now US P&C insurance survey, 2014

Figure 13: Retention has a strong influence on creating lifetime value



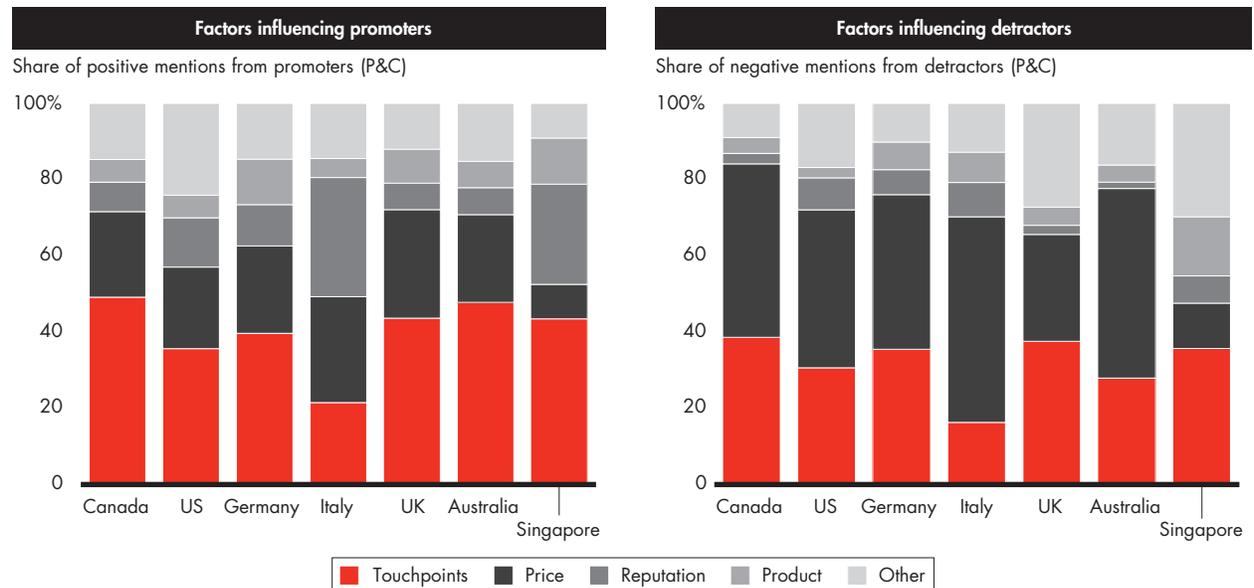
Note: All products are assumed to be of equal value to the insurer
Source: Bain/Research Now US P&C insurance survey, 2014

Figure 14: Cross-selling is more prevalent in some developing markets



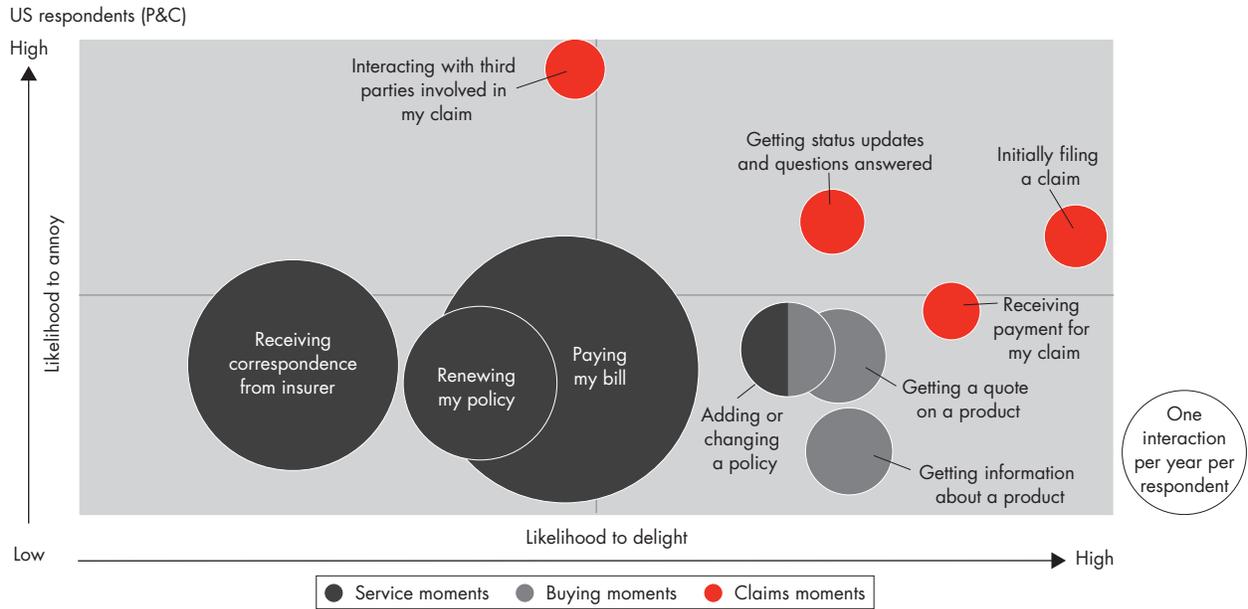
Note: Numbers are rounded
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 15: Customers' experiences at touchpoints, as well as price, have the greatest influence on loyalty in most countries



Note: "Touchpoints" include advice, purchasing, claims, service and distribution channels; "other" includes emotional responses, loyalty responses, responses indicating little familiarity with the provider
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

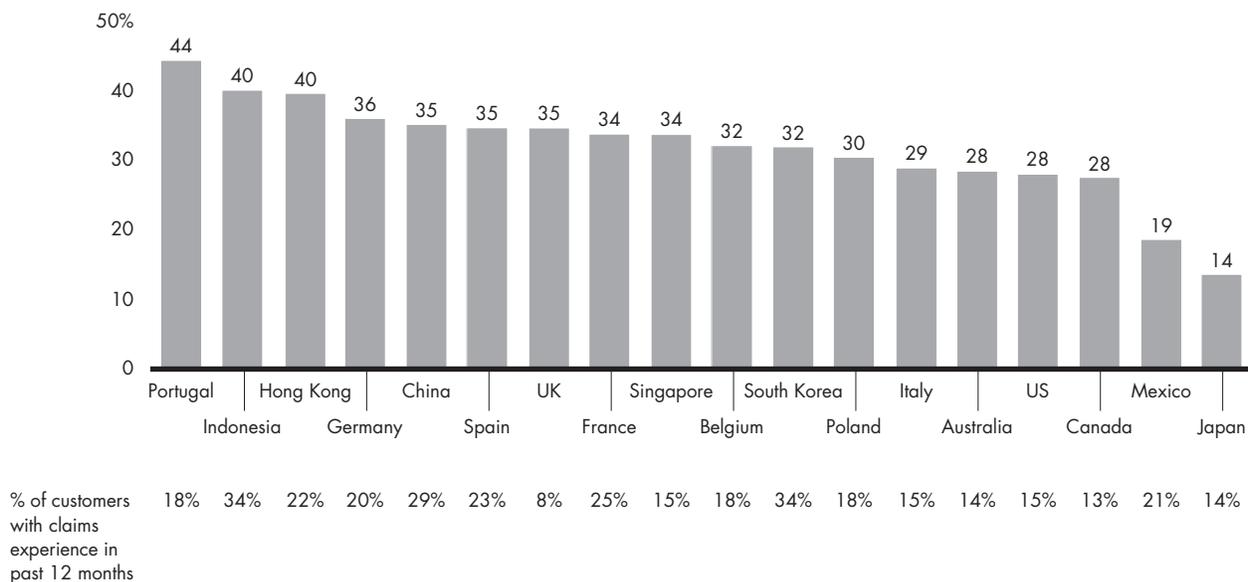
Figure 16: Claims interactions, though infrequent, have the greatest effect on loyalty



Note: Respondents were asked about the effect that a recent interaction had on their likelihood to recommend their insurer; numbers are rounded
 Source: Bain US Auto Insurer Moments of Truth Survey, 2013

Figure 17: A positive claims experience has a strong positive effect on loyalty

Percentage point difference in NPS (P&C) of customers satisfied with their claims experience vs. all other customers



Source: Bain/Research Now and Bain/SSI Global NPS survey 2013/2014



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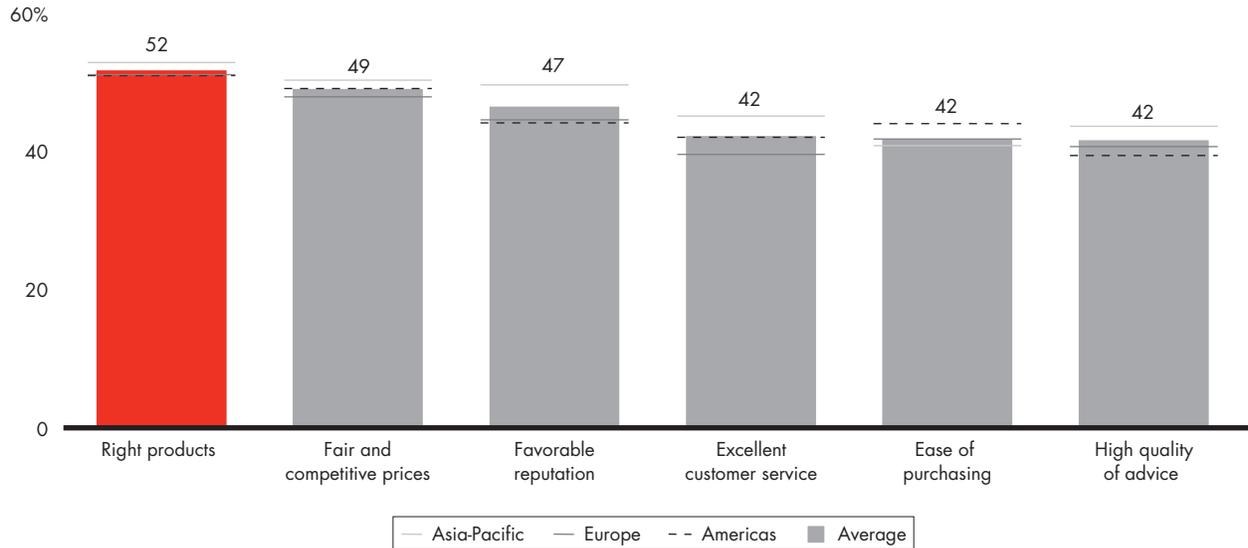
Life insurance:

Delighting customers
in a low-touch industry

- Across countries, most customers buying life insurance say product attributes are a major factor influencing their decision, closely followed by price and reputation.
- Once customers are on board, however, the life insurance business depends on relationships. Interactions with a personal adviser tend to raise NPS, more so when complemented by interactions through other channels. In the US, for example, NPS for customers who interacted with an adviser and used digital channels is 34 points higher than for customers who used a call center and/or digital channels.
- The experience at critical touchpoints and episodes, including those involving an adviser, has the greatest propensity to delight or annoy customers. On the positive side, US and German loyalty leaders excel at delighting customers through touchpoints as well as with their products or reputation.
- In Asia, affluent customers give far higher NPS than do other customers. By contrast, in the mature and highly competitive markets of Australia, the UK and Canada, affluent customers give lower-than-average NPS.
- Investing to improve advocacy pays handsomely. In developed markets, referrals from an existing customer to other potential customers play the biggest role in building customer lifetime value. In developing markets, cross-selling creates more value, because penetration there is low.

Figure 18: Across countries, product is the strongest reason for purchasing, followed by competitive prices and a company's reputation

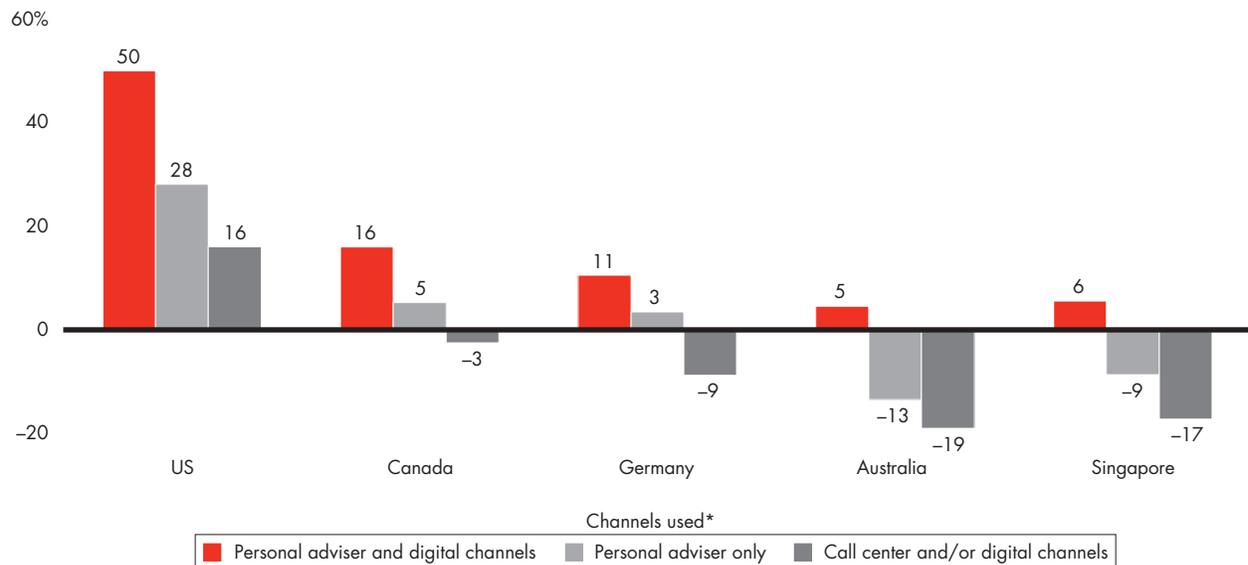
Share of life customers for whom the criterion strongly influenced their purchasing decision



Note: Includes only customers who purchased a first policy with their main life insurance provider in the past year
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

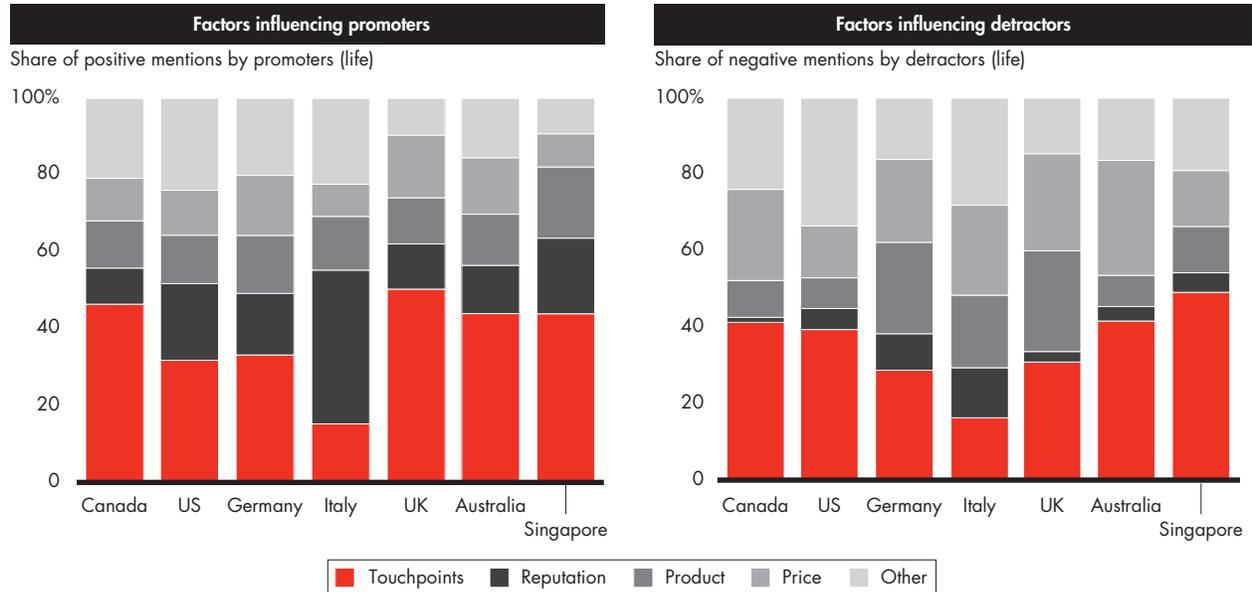
Figure 19: Customers who interact with their personal adviser and use other channels tend to give higher Net Promoter Scores

NPS for customers who interacted in the past 12 months (life)



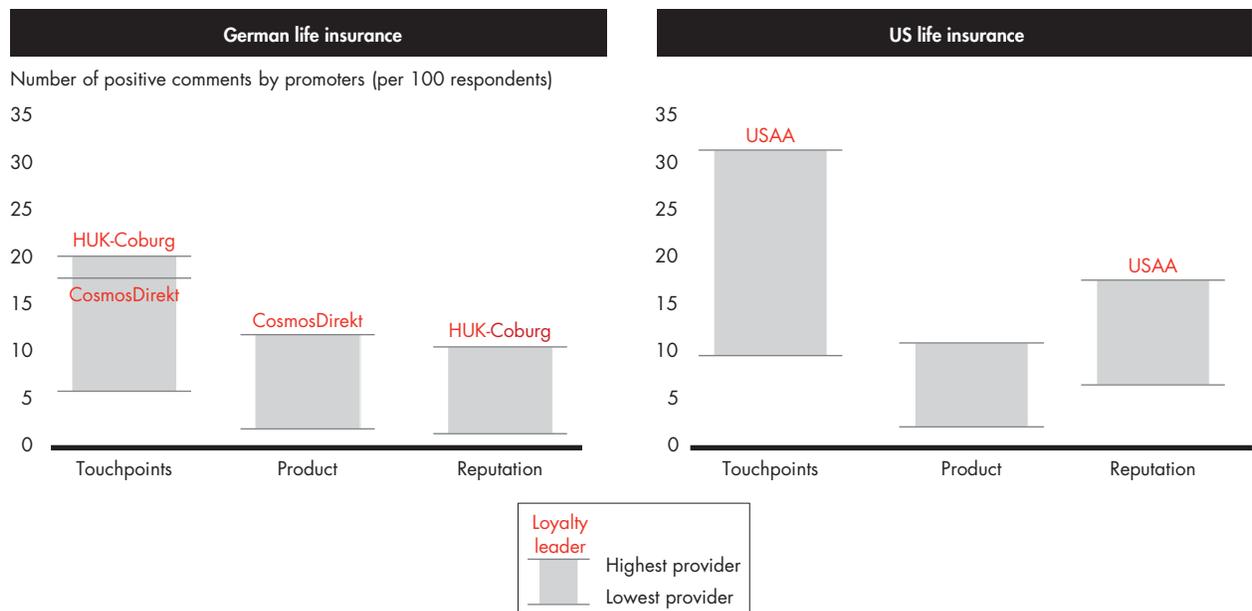
*Interaction with personal adviser can be via phone or in person
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 20: Touchpoints have the greatest influence on both delighting and annoying customers



Note: "Touchpoints" include advice, purchasing, claims, service and distribution channels; "other" includes emotional responses, loyalty responses, responses indicating little familiarity with the provider
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

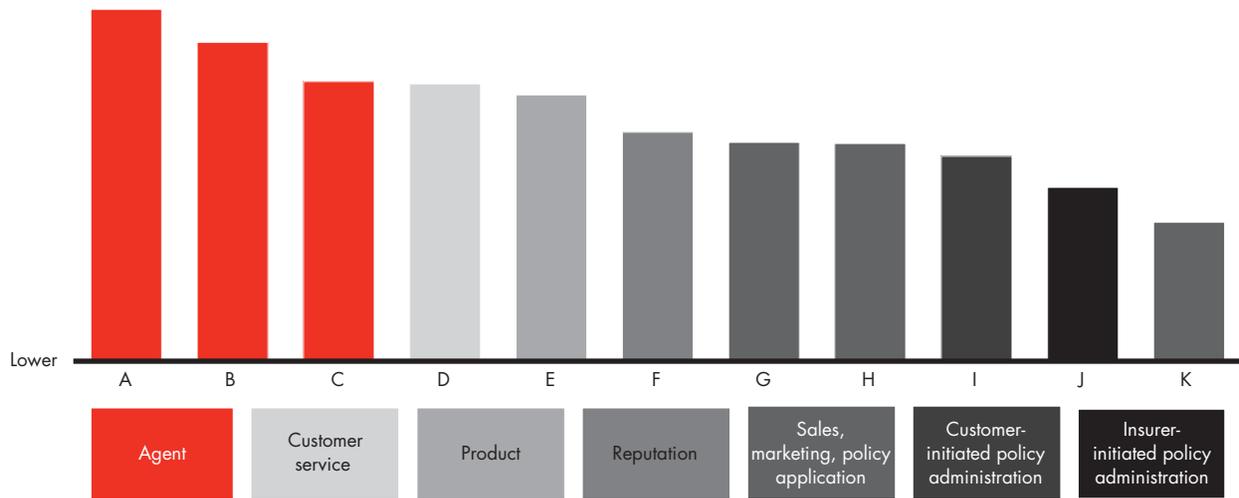
Figure 21: Loyalty leaders in the US and Germany delight customers on touchpoints and either product or reputation



Note: Germany has two loyalty leaders; "Touchpoints" include advice, purchasing, claims, service and distribution channels
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 22: Agent interactions often comprise the most important touchpoints

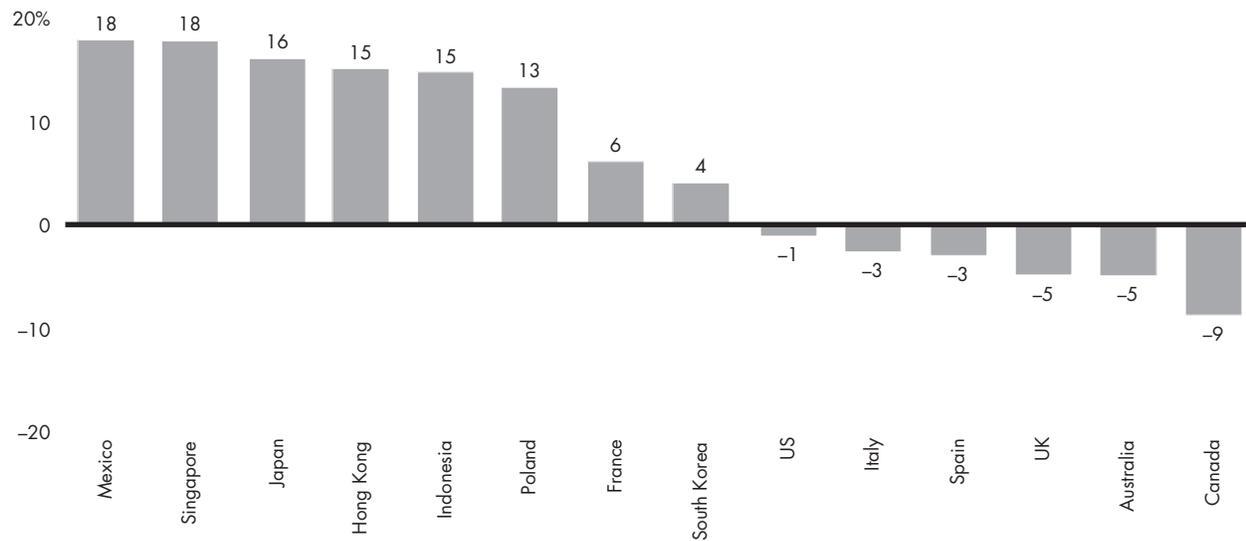
Touchpoint's importance to customer loyalty (Asian life carrier)
Higher



Note: Importance to customer loyalty is calculated as the coefficient of correlation between the satisfaction score at each touchpoint and overall NPS
Source: Bain & Company NPS survey for client

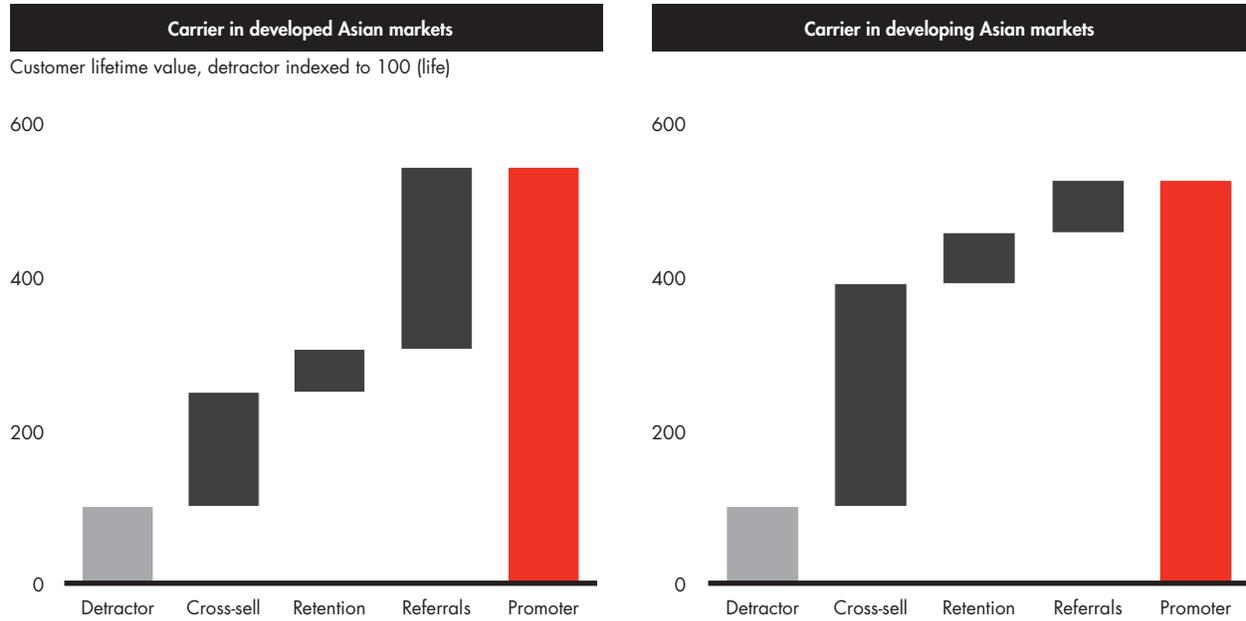
Figure 23: Affluent customers give relatively high loyalty scores in Asia and some developing markets, but low scores in several developed markets

Percentage point difference between NPS of affluent and nonaffluent customers with less than three years' tenure (life)



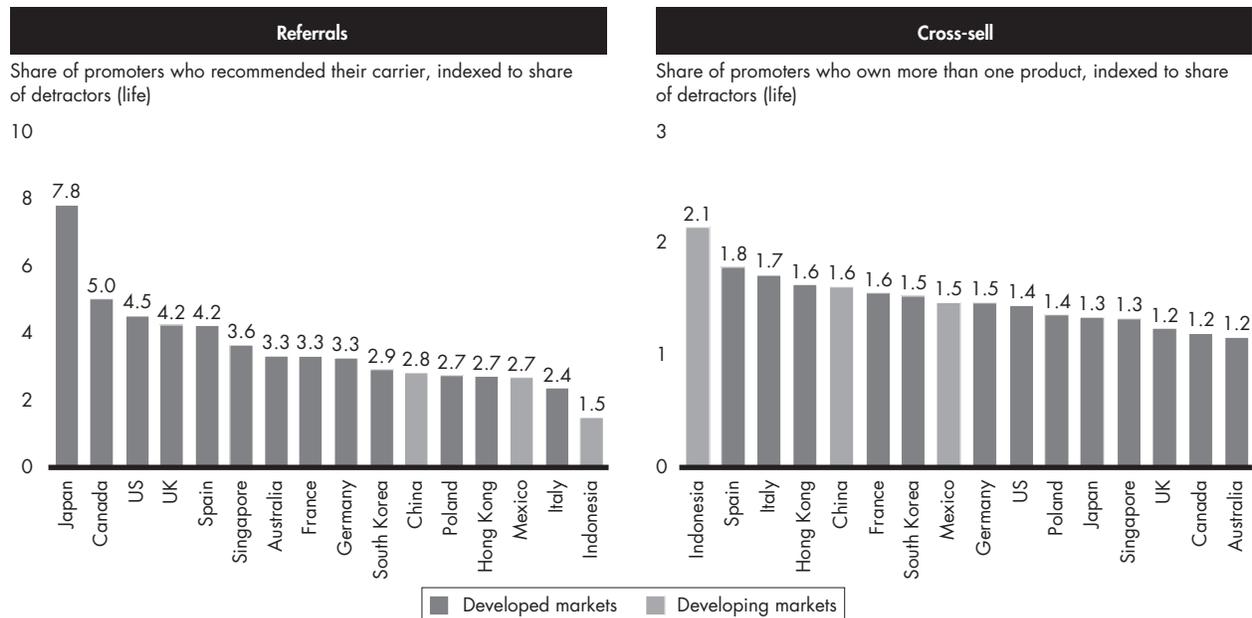
Note: Countries with a sample size of less than 100 affluent customers have been excluded from the analysis
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013-2014

Figure 24: Referrals tend to create the most value in mature markets, while cross-selling creates greater value in developing markets



Source: Bain & Company analysis for client

Figure 25: Referrals are more readily generated by promoters in mature markets, while cross-selling works better with promoters in some developing markets



Note: Numbers are rounded; Excludes countries with a sample size of less than 100 in any comparison group
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014



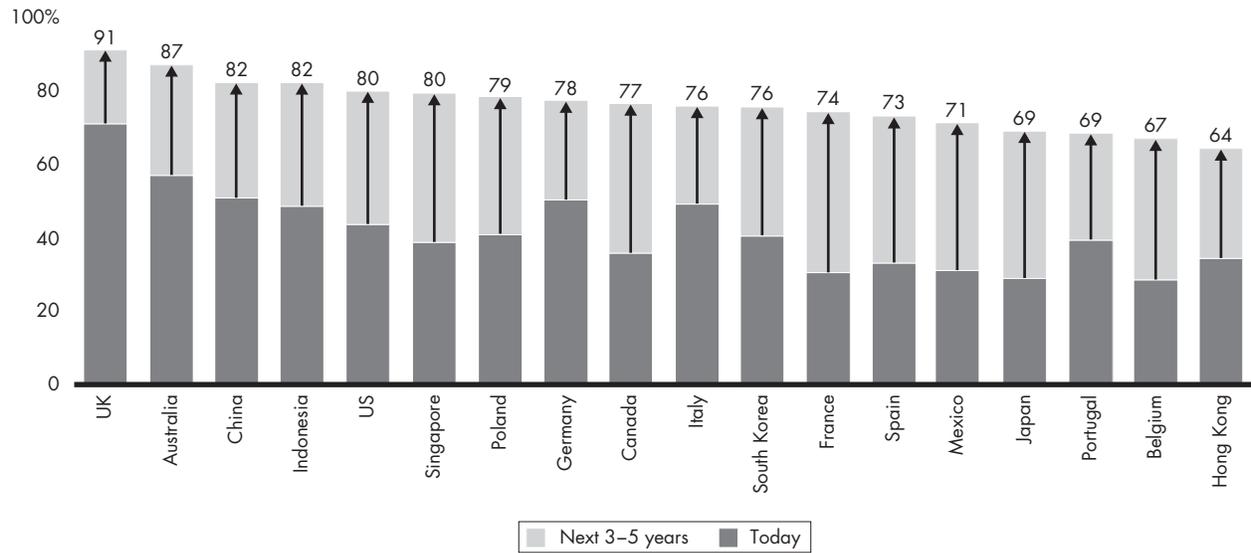
4.

The shift to a Digital business

- All countries have a significant share of customers who do research or interact digitally with their insurer, and their ranks will grow over the next three to five years. Digital usage will grow to become the dominant channel for prepurchase research in many countries. For the actual purchase, however, most customers still use mainly phone or in-person meetings.
- Digital interactions thus need to be complemented with offline interactions in order to delight customers. In fact, digital-only interactions result in the lowest NPS in most countries.
- Hybrid customers merit extra attention, given that they have higher incomes than customers who don't go online. And the hybrid share of the total market is large and growing.
- Insurance markets across the globe fall into three broad categories of channel usage: Traditional relationship markets include Canada, Spain and Japan. These will likely evolve to relationship 2.0 markets, which currently include Mexico, China, Singapore and Hong Kong. In addition, Germany, Italy and the US have started down this path. Finally, there are two transactional markets—the UK and Australia—where relationships have far less importance.
- These different markets require different short-term and midterm approaches by insurers. Omnichannel in the UK means mainly digital and call-center telephony; in the US it means integrating in-person, phone and digital channels.
- Customers do not expect or want exclusively digital insurers. Among all types of interactions, the strongest demand for digital tools comes in purchasing online and handling claims.
- For most interactions, Asian customers show the highest demand for digital tools. Strengthening security and user-friendliness would increase digital demand in most countries.

Figure 26: The share of digitally active customers ranges from 35% to 70%, with a sharp increase expected over the next three to five years

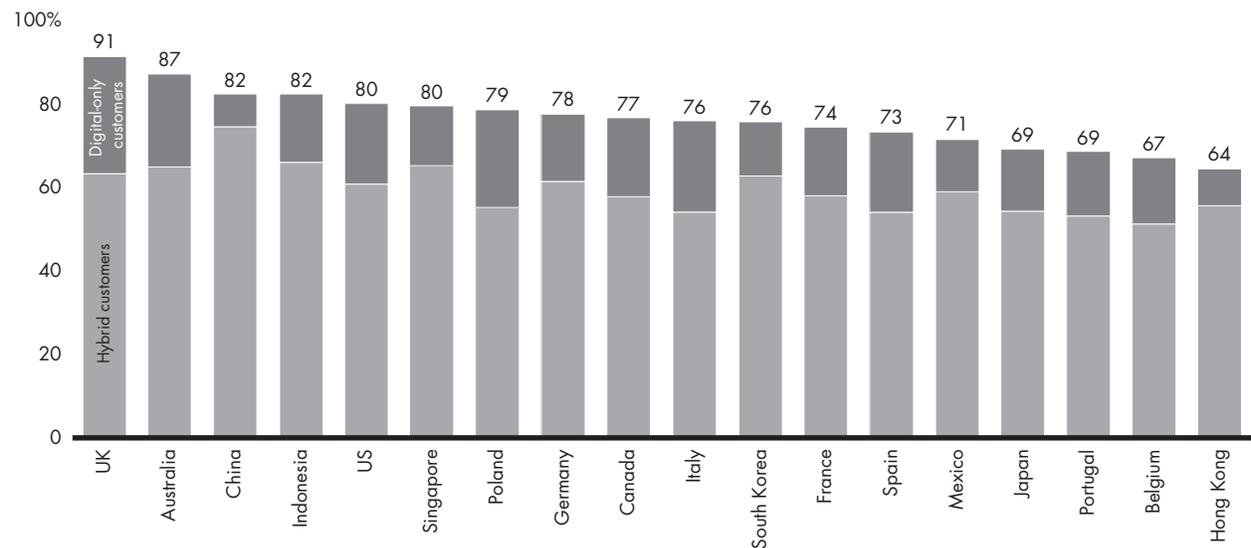
Share of digitally active insurance customers* (P&C and life combined)



*Respondents who used digital channels for their last insurance-related information research and most important interactions with their insurance providers (to learn about the provider or product, get advice, make a purchase, obtain service or pursue a claim) in the past 12 months; maximum of three responses allowed for choosing channels
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013-2014

Figure 27: Most digitally active customers will be hybrid, using phones and in-person meetings as well

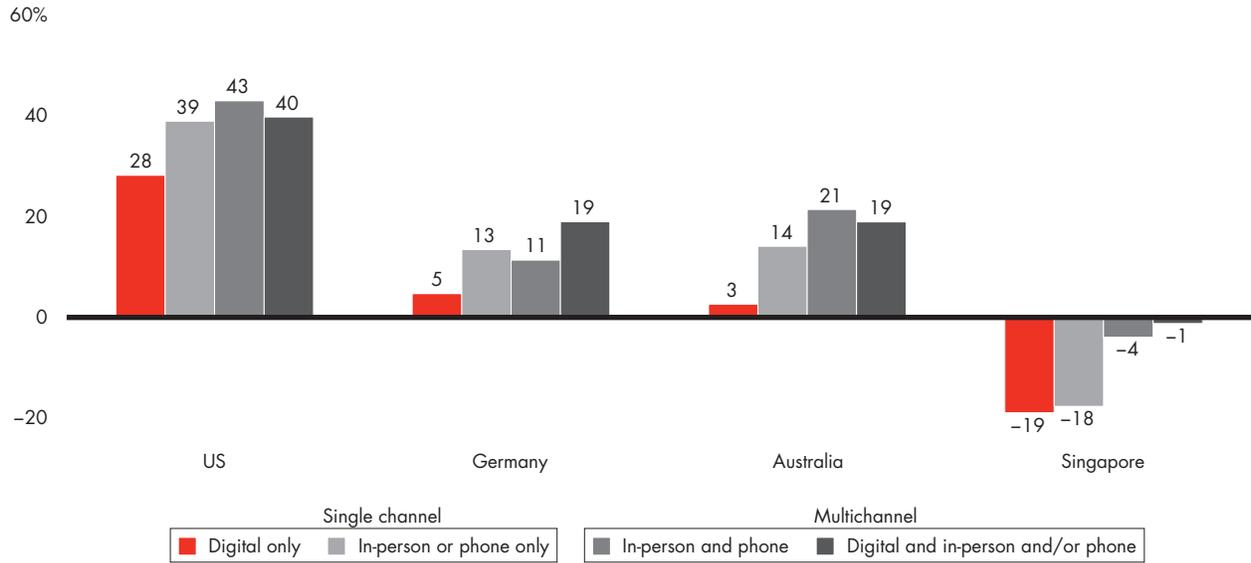
Share of digitally active insurance customers in next three to five years (P&C and life combined)



Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013-2014

Figure 28: Digital-only interactions yield lower Net Promoter Scores than multichannel interactions

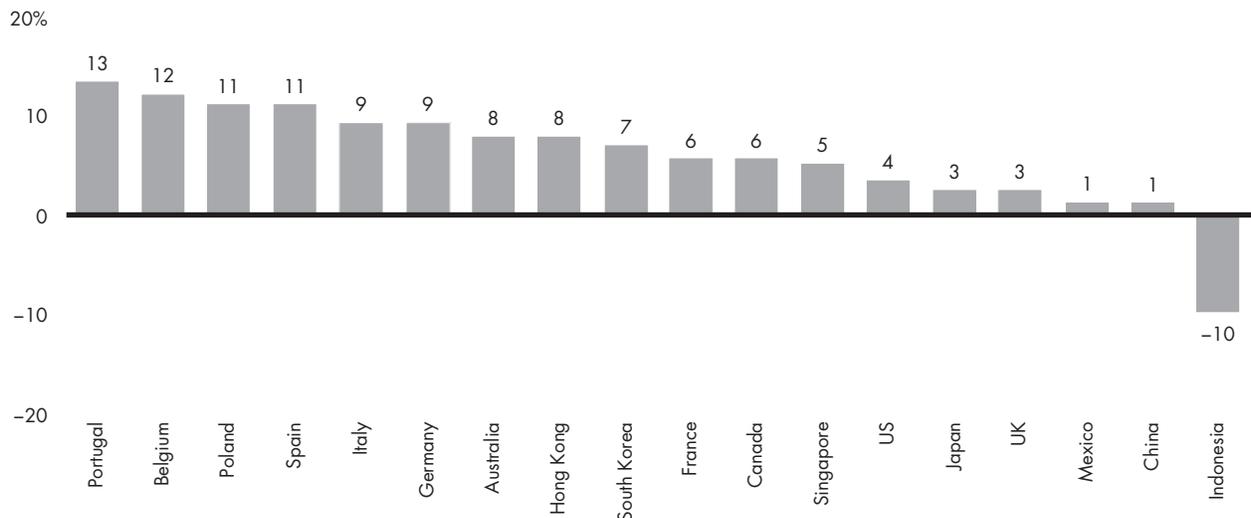
NPS for customers who interacted in the past 12 months (P&C)



Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 29: Hybrid customers in most countries have higher incomes than those who use only phone or in-person channels

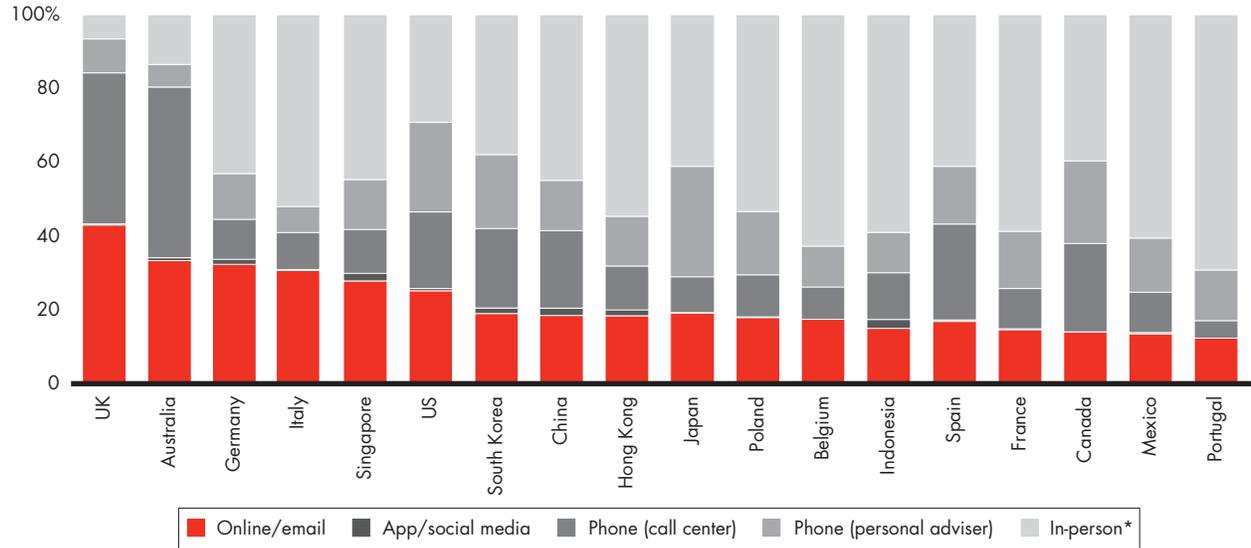
Percentage difference between average household income of hybrid and offline customers (P&C and life combined)



Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 30: Customers today still purchase insurance products mainly offline

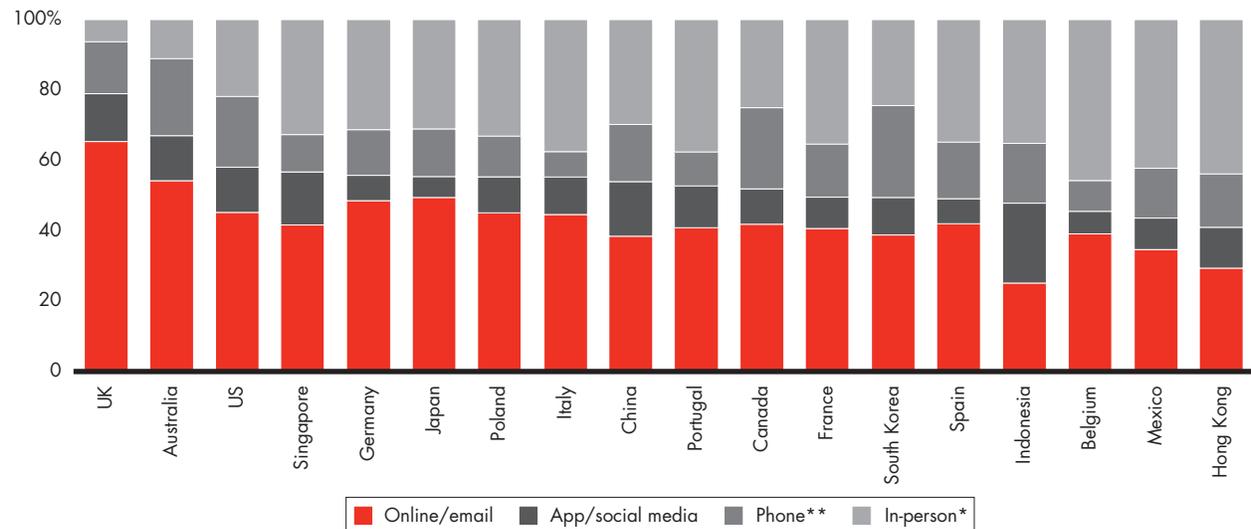
Share of channels mentioned for last product purchase (P&C)



* In-person includes interaction with broker, agent and bank
 Note: A maximum of three responses was allowed for choosing channels
 Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

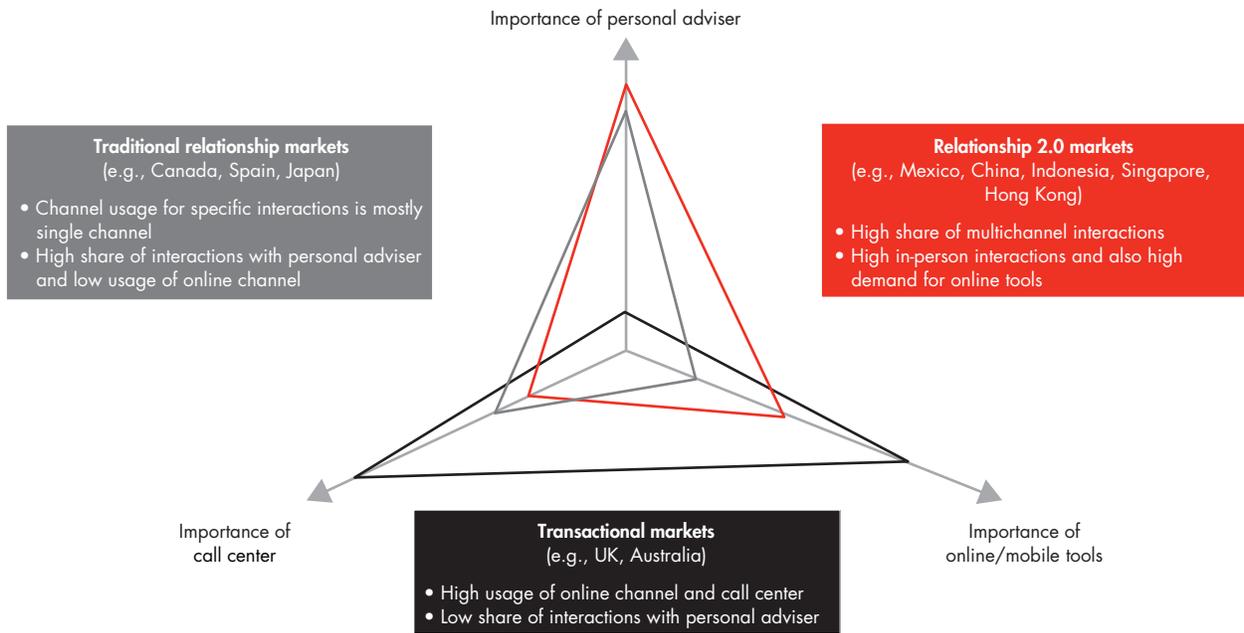
Figure 31: More purchasing behavior will migrate online over the next three to five years

Share of channels mentioned for product purchase in the next 3–5 years (P&C)



* In-person includes interaction with broker, agent and bank
 ** Phone includes interaction with personal adviser and customer service center
 Note: A maximum of three responses was allowed for choosing channels
 Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

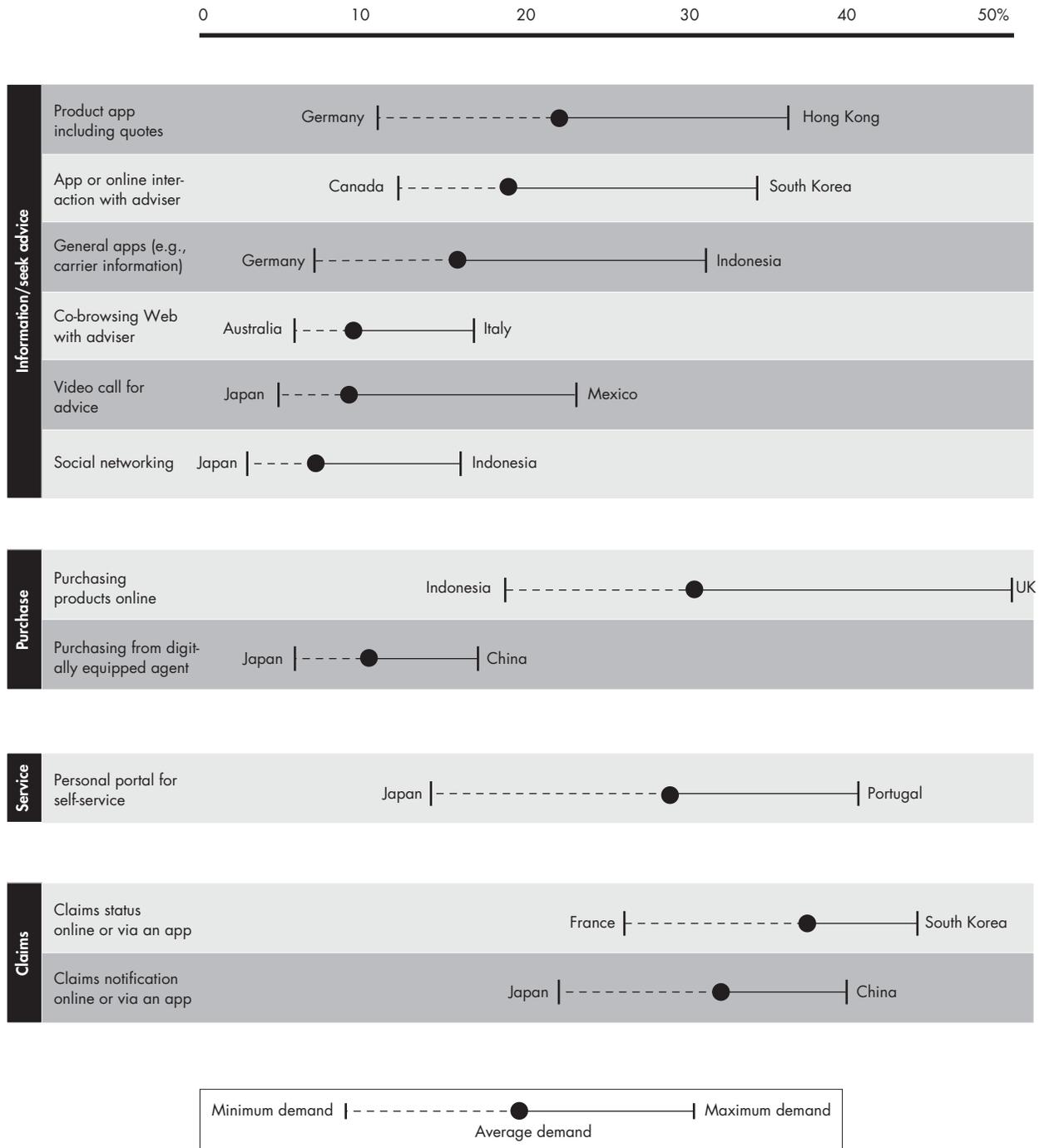
Figure 32: Three models of channel usage dominate insurance markets



Source: Bain & Company analysis based on Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Figure 33: While customers demand robust digital tools, most do not expect a fully digital carrier

Share of customers who want to use digital tools for each interaction (P&C and life combined)



Note: A maximum of three responses was allowed for choosing digital tools
Sources: Bain/Research Now and Bain/SSI global NPS surveys, 2013–2014

Appendix: Methodology

Bain & Company partnered with Research Now, a digital data collection provider, to survey consumer panels in Europe, the Americas and Asia-Pacific. Conducted in the winter of 2013–2014, the survey polled 147,989 customers in 18 countries.

Bain worked with SSI to survey an additional 10,433 policyholders in Asia. SSI applied its online sample blend encompassing SSI's own managed panels plus online community members, social media participants and respondents from across the Web.

The survey's purpose was to gauge customers' loyalty to their main insurance provider in life and P&C, as well as to discover the underlying reasons why customers hold their views. We included only those providers for which we received at least 100 valid responses, though in many countries sample sizes exceeded 100 for each insurance provider included.

Respondents were asked to first list the P&C and life insurance products they purchased, name the corresponding insurance provider and indicate their main insurance provider for both P&C and life. Then they were routed to either the P&C or life insurance questionnaire. We assessed their loyalty to their main insurance provider (either P&C or life) by asking two questions:

- On a scale of zero to 10, where zero represents "not at all likely" and 10 represents "extremely likely," how likely are you to recommend your main insurance provider to a friend or a colleague?
- Why did you give your main insurance provider the score you did?

To better understand their evaluation of their main insurance provider, we asked the respondents to assess their main provider's performance along several dimensions. If respondents had submitted a claim within the past 12 months, they were interviewed about their satisfaction with their claims experience. If respondents first purchased a policy from their main P&C provider within the past year, they were further asked which criteria had a major, minor or no influence on their purchasing decision.

We also asked which channels respondents use for the following: gathering information about an insurance provider, learning about products, seeking advice or service, purchasing a product, or submitting and settling a claim. We subsequently asked them to predict how these channels will develop within the next three to five years, and we asked them which online and smart mobile services they would like their insurers to provide in the future. The remaining questions elicited demographic information: household income, age and region of residence.

On the question of statistical significance, our data and analysis measuring insurance providers' NPS in the different countries are robust. The NPS measured for each insurance provider has confidence intervals ranging from $\pm 1.5\%$ for a sample size of 5,000 to $\pm 10\%$ for a sample of 100, with an 80% confidence level.

Countries classified as developed are based on the World Bank's high-income category; developing countries are based on its middle- and low-income categories.

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