DIGITAL INSURANCE PLAYBOOK

8 strategies to build a more customer-centric digital experience.

How insurers can leverage technology and customer data to empower their workforce and deliver standout digital products and services.

By Michael Spiteri

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About
the author.

Michael Spiteri is the Global Head of Insurance Transformation and Innovation, HSBC Life and Partnerships at HSBC.

Previously, he was the Global COO for HSBC's Digital and Data team in the retail bank. Michael's prior experience includes roles as Chief Digital Officer at Santander's corporate and commercial bank in the UK, and serving as partner at PWC, Accenture and IBM.

He is an engineer by training and has spent 30 years of his life trying to create better customer outcomes for a wide range of insurance and banking companies by delivering digitally driven change.

Customer-centricity starts with the 3Ps.

The problem facing most organisations today has been either a reluctance or an inability to change quickly, and make that change sustainable. It's much easier to remain in your safe and secure comfort zone, even when it's not producing the best results, and even when you know disruption is coming your way. By the time an industry, product, or service reaches its tipping point, it's usually too late to enact meaningful change.

But Covid-19 brought discomfort on everyone with sudden, unexpected changes happening across industries, especially in the insurance sector, and moving their digital plans forward has become an ongoing imperative.

If Covid accelerated the digital transformation journey for organisations, what steps can they take to ensure that they do not lose momentum? The short answer: It's about investing in that balance of people, process, and product – and ensuring the customer is centered across them all.

It's also critical to understand that people, process and product is a continuum that should be both iterative and adaptive.

People.

Humans don't think uniformly. We learn and consume information differently.

For the people, process, product balance, organisations must place more emphasis on cognitive diversity. This can involve bringing people from different industries such as medicine or theoretical sciences to disrupt the insurance industry.

Valuing cognitive diversity means that we need to make room for everyone in the conversation, including board members, executives, and, perhaps most importantly, the designers, engineers, and other stakeholders who are actually on the ground building the product.

When we learn to do this, we also learn to listen to customers better and be curious about what makes it easier for customers to achieve the outcomes that are most important to them.

By listening to different perspectives, insurers can ensure that no stone is left unturned as digital teams work towards enhancing the customer experience. *Change begins with people, not your tech stack.*

When one team member has discovered a faster and more efficient way to prioritise backlog items, then it benefits the entire organisation to change the process.

Quantum Metric
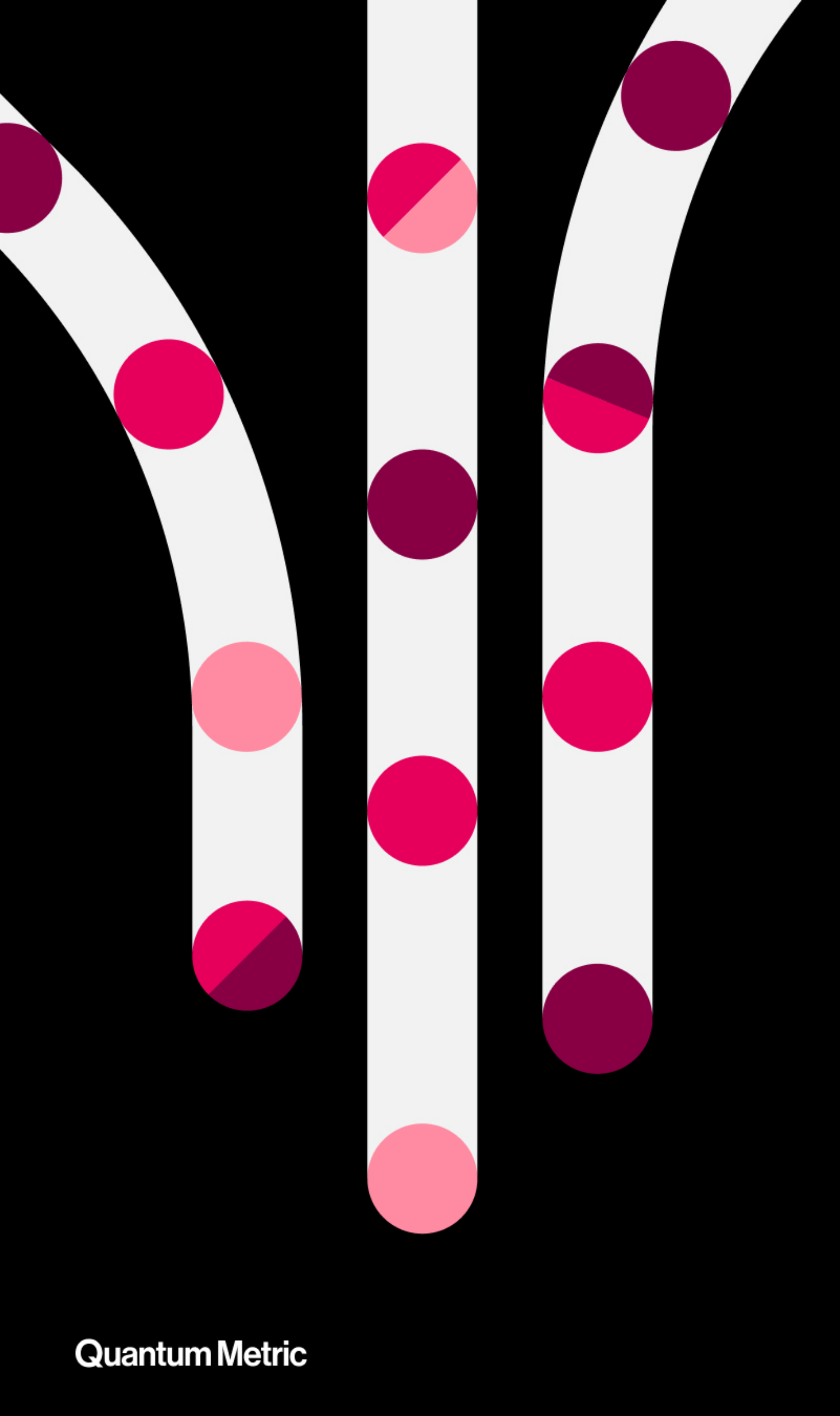
Process.

We should also recognise that many of the working practices we had previously relied on or were accustomed to no longer fit their original purpose and have to change.

Many organisations suffer because each team works in their own silo. What matters to engineering and product can be drastically different from what matters to risk and operations. When organisations don't have one version of the truth, it becomes difficult to make informed decisions about building products.

To solve this dilemma, insurance teams need to make customer-centric decisions by consulting the same source of customer data, preferably data that quantifies the customer and business impact of each product decision.

In other words, teams need to align on priorities by making product decisions that drive conversion rates and revenue, while keeping the customer outcome in focus.

The result? *Better digital products, built faster than ever.*

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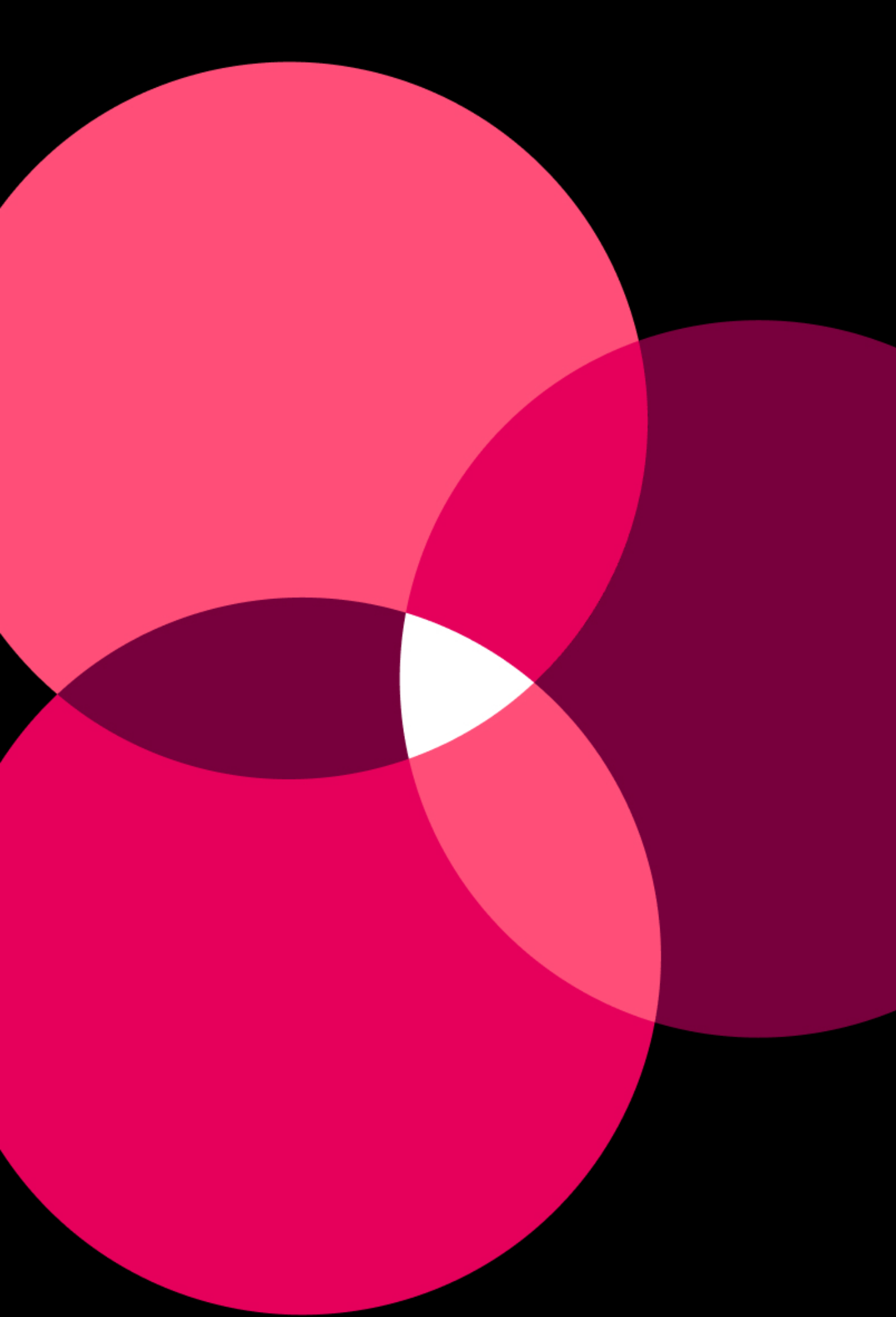
Product.

Our understanding of what we mean by an insurance product in this digital age will become even more critical.

Linking each product or service to a specific set of customer outcomes is crucial. The role of product and product management across insurance must move away from siloed internal thinking and towards customer outcomes that improve each client's financial security in a personal and relevant way.

Executives, product designers, engineers, and other stakeholders might think they know what customers want, but they need the data to back it up. To make products that are accessible, intuitive, and easy-to-use for each unique customer segment – from Gen Z'ers to Boomers – teams must continue to consult customer data and the Voice of Customer (VoC). Doing so will ensure that you're putting the customer first in your product decisions.

The challenge, however, is that many customers might not even know what they want or need. This is why it's best to consult customer data before making product decisions. When organisations make data-driven design decisions based on actual customer data, they can anticipate problems long before a clumsy design choice or technical error has a significant impact on customer effort and consequently the business' bottom line.

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8 strategies to achieve digital customer-centricity while balancing the 3P's.

Most digital teams at insurance organisations struggle to set priorities for building products and addressing the backlog. Why? Because they don't have a data-driven approach to what's important and what's not. They are forced to rely on competing anecdotes or HiPPO's (Highest Paid Person's Opinion).

In a sea of executive noise, people get confused and think that everything is important. That's why I ask, "What are we going to stop when we try something new?"

Continuous Product Design (CPD), a methodology that builds on agile development, is one of the best ways of quantifying the areas in product development with the biggest impact for customers. This cross-team approach to building better digital products faster is based on a shared, quantified, and continuous view of customer signals. CPD makes it easier for an organisation's teams to identify the biggest business opportunities, especially ones that drive revenue and conversion rates. With CPD, you can make the path to customer value both clearer and more analytical, enabling your team to better balance people, process, and product.

Here's a look at how insurance companies can start implementing Continuous Product Design in their product development process.

01

Engage in a rapid transformation process for products.

Digital product managers need to pay close attention to each product's entire lifecycle, as well as the customer lifecycle. This means that the process really begins when your customer starts searching for a specific product or service and ends when they are off-boarded from that product or service.

Continuing this lifecycle view is especially true even after customers complete a transaction. Companies should check in with customers after the transaction to not only ensure that they are satisfied, but to learn how the product could be improved for future clients.

Listening to customer feedback through surveys, social media, and feedback forms is important. But analysing actual customer data can provide clearer and more accurate answers as to which changes, improvements, or features will have the greatest impact on your business's bottom line.

02

Understand the changing customer journey from their POV.

Before the boom in customer experience analytics, insurance providers spent a lot of money, energy, and focus enhancing key parts of the customer journey, usually without the data to back up their decisions. This meant that there usually wasn't a lot of emphasis on the customer, which created a gap between the customer's perspective and the organisation's truth.

Now, digital product teams across the insurance industry are investing resources in understanding the customer holistically, including the friction points that result from clumsy UX designs or a poor user interface.

Qualitative approaches to understanding the customer such as watching user replays of individual customer sessions can help digital product teams understand how a poorly placed button or confusing wording impacts conversion rates and lowers client satisfaction. Stepping into the customer's shoes ensures that their voice matters most and is not overshadowed by executives or product owners.

HOW CUSTOMER CENTRIC IS YOUR ORGANISATION?

- Great! We put our customer first in every decision we make.

- Okay. We equally emphasize customers and business.

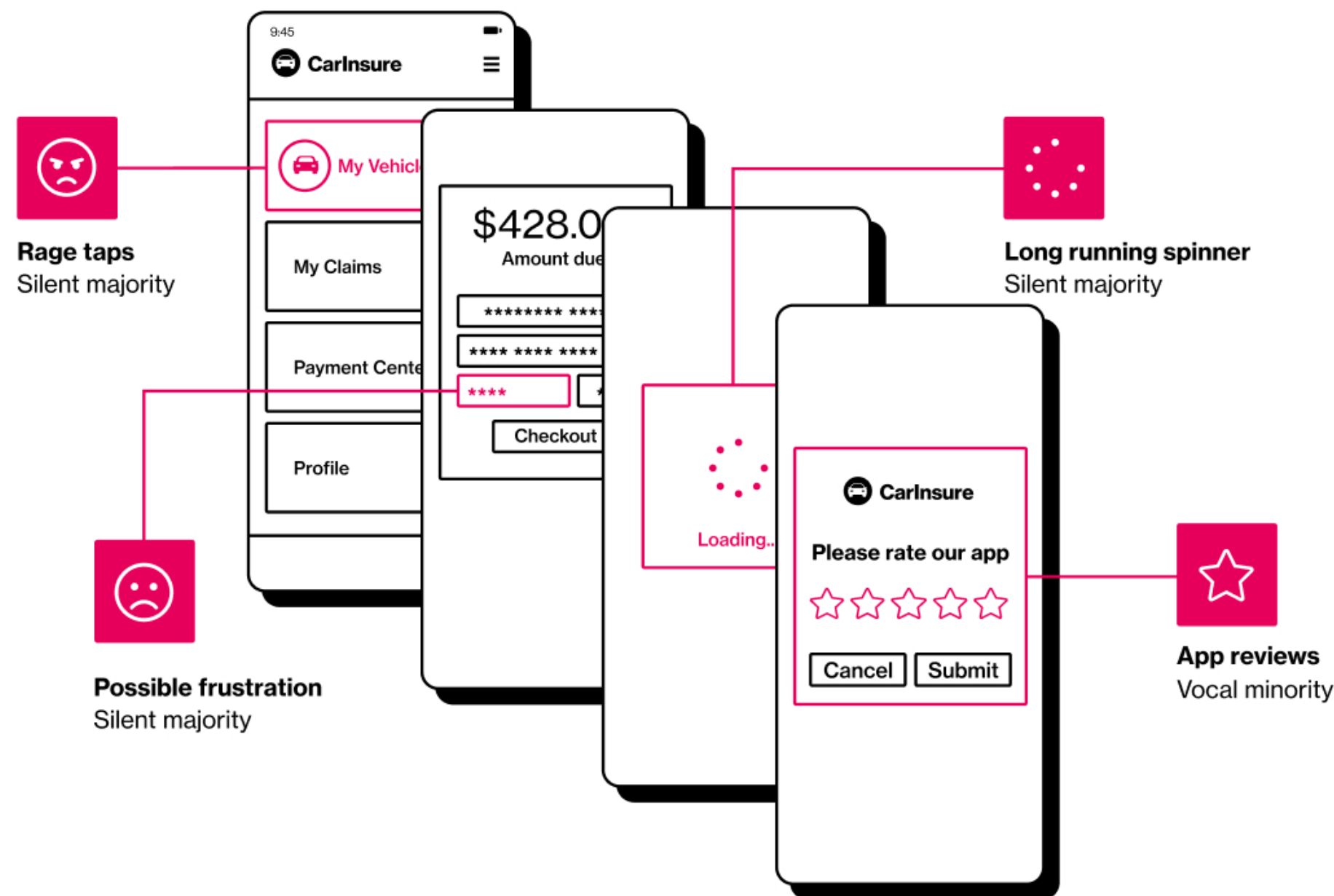- Poor. We prioritise internal goals over the customer.

03

Use data-driven design thinking with customer data.

Rage taps
Silent majority

Possible frustration
Silent majority

Long running spinner
Silent majority

App reviews
Vocal minority

Data-driven design thinking is a problem solving method that takes into account what is technologically feasible, economically viable, and desired from the user's POV – all backed by actual customer data. It also creates very strong customer empathy when used as well.

Insurance providers should apply data-driven design thinking by using customer signals to build their product backlog. Data-driven design thinking allows organisations to ask customer-centric questions about the product, such as:

- Where do customers rage click the most?
- Why did customers struggle to find the button to complete their request for a quote?
- How do we retrieve a customer who abandons a bill payment flow because of a technical error?

This approach to product design can help insurers better empathise with clients, which is crucial in the insurance industry, where clients interact with providers most intensively at particularly stressful times, such as filing a claim following a death, property loss, or car accident. Yet even renewing an insurance premium as in the example below demands digital empathy.

04

Learn from insurtech startups.

Appy for a New Credit Funnel

Current and Historical

	Conversion Step	Time	Time	Change
1	Platinum Preferred Plus Card		34.0s	⬆ 0.7%
2	Begin Application Click		3.1s	⬇ 6.9%
3	Customer Info Page		1.2s	⬆ 6.8%
4	Address History Page		1.2s	⬇ 0.4%
5	Payment Preferences		53.6s	⬆ 2.0%
6	Review Order Page		48.6s	⬆ 30.6%
7	Final Approval		Total Time: 4.8min	

The rise of insurtech companies such as Lemonade, Haven Life, and others has made some experts worry that the death of traditional insurance providers is on the horizon. Digitally savvy millennials and Gen Z'ers are turning to digital-first insurers, which offer streamlined online services that focus on digital empathy and online customer experience alongside solid policy coverage.

When insurtech startups arrived on the insurance scene, they discovered and addressed friction points by focusing on customer centricity, leveraging AI and machine learning to quantify risk, and using client data to build key features.
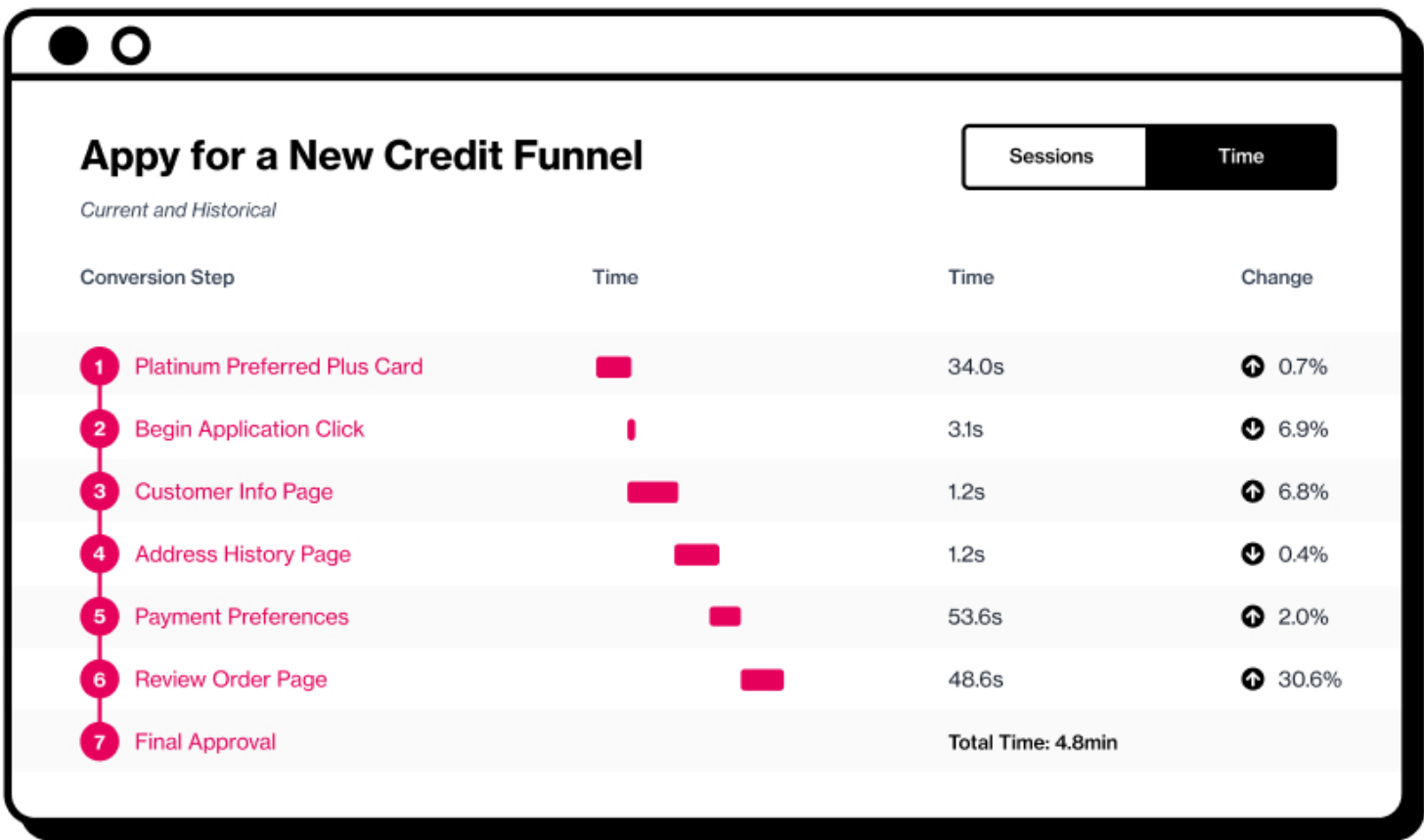
Insurtech companies find pain points in the insurance value chain that are the biggest bottlenecks to revenue and build products to address them.

Unlike most niche-focused insurtech startups, traditional insurers offer a wider range of products and services. This means that insurance companies have the daunting task of delivering standout customer experiences to a wide range of customer segments across many channels. Insurance providers who successfully integrate customer analytics across their businesses can respond effectively to external disruption and become disruptors themselves.

05

Act quickly and effectively by leveraging customer data.

Large insurers tend to move slower than startups because they are data rich and insight poor. Customer analytics tools and platforms help organisations understand, analyse, and act upon large troves of customer data. Today's most successful businesses connect real-time customer data to key performance indicators (KPIs), such as revenue and conversion rates.

Unfortunately, in our new digital-first world, smaller tech-savvy insurers have a leg up on traditional players, since they started using cloud computing, AI, and other third-party tools years before enterprises began to make the shift.

These organisations may be better equipped to identify the data sets that matter most to the business's bottom line. They have proven to the world that there is nothing inherently safer in moving slowly.

By partnering with platforms like Quantum Metric, which uses real-time customer signals to generate insights in behavioral and technical product context, large insurers can employ an Agile methodology across an organisation, including business, technical, and product teams. This method is called Continuous Product Design. When organisations align around one set of data, each team moves faster.

3 SPEED TENETS OF CONTINUOUS PRODUCT DESIGN:

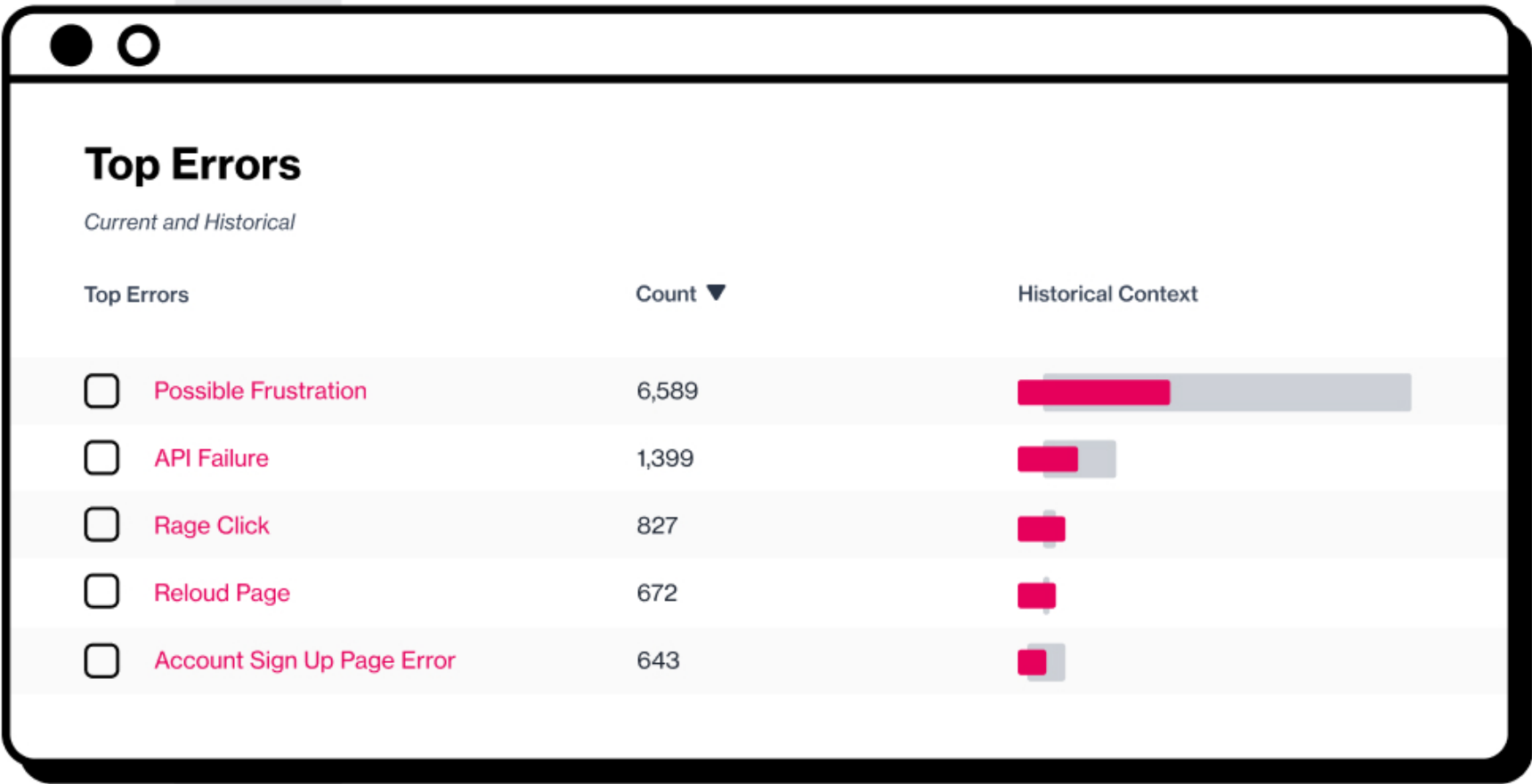- Speed to team
- Speed to implement
- Speed to change

06

Overcome data silos.

But having troves of customer data won't help your team if they don't know how to talk about it. Many organisations have issues that are not related to technology at all. Misaligned teams don't understand each other, underestimate the scope of a project, and are unsure how to think through problems as an organisation. The result? Teamwork failures, not tech ones.

Why do big organisations fail? Because the organisation can't address the gap between what an organisation says is important versus what actually matters to the business's bottom line.

Everything that an organisation does from a product perspective needs to be backed by data. But product, development, business, and other teams need to consult the same customer data and analytics in order to align on priorities.

When each discipline or team has their own version of the truth, it becomes difficult to understand which backlog items, features, services, and products will have the biggest impact on important KPIs, such as conversation rates and revenue. Top data and analytics platforms solve this problem by providing an easy-to-use dashboard that a number of teams from across the organisation can understand.

Top Errors
Current and Historical

Top Errors	Count ▼	Historical Context
☐ Possible Frustration	6,589	
☐ API Failure	1,399	
☐ Rage Click	827	
☐ Reloud Page	672	
☐ Account Sign Up Page Error	643	

MAIN DRIVER IN HOW MANY COMPANIES (POORLY) PRIORITISE PROJECTS:

- Executive opinion
- Loudest voice on the team
- Customer input
- Industry competition

07

Anticipate problems.

Too many companies run on cortisol and adrenaline, neither of which are psychologically safe or good for innovation. Instead, companies should spend more time anticipating and mitigating potential problems, not performing quick fixes after something breaks.

With some older legacy operating models, engineers and other teams are siloed from customer success, which means that product and technology teams may not receive a help ticket for a 404 page or broken API until after conversion rates fall and revenue opportunities plummet. In this scenario, problems can take weeks to address, when they could have been addressed in days, or even hours.

To best anticipate problems, your team should consult data as often as possible. Real-time analytics and alerts are even better, as they let you know when something isn't working right before it impacts a large segment of users. AI-powered anomaly detection technology and alerts can help ensure that organisations are aware when unusual behavior is occurring on their website, such as plummeting conversion rates, potentially fraudulent activity such as too many login attempts, and nonhuman (e.g., bot) activity.
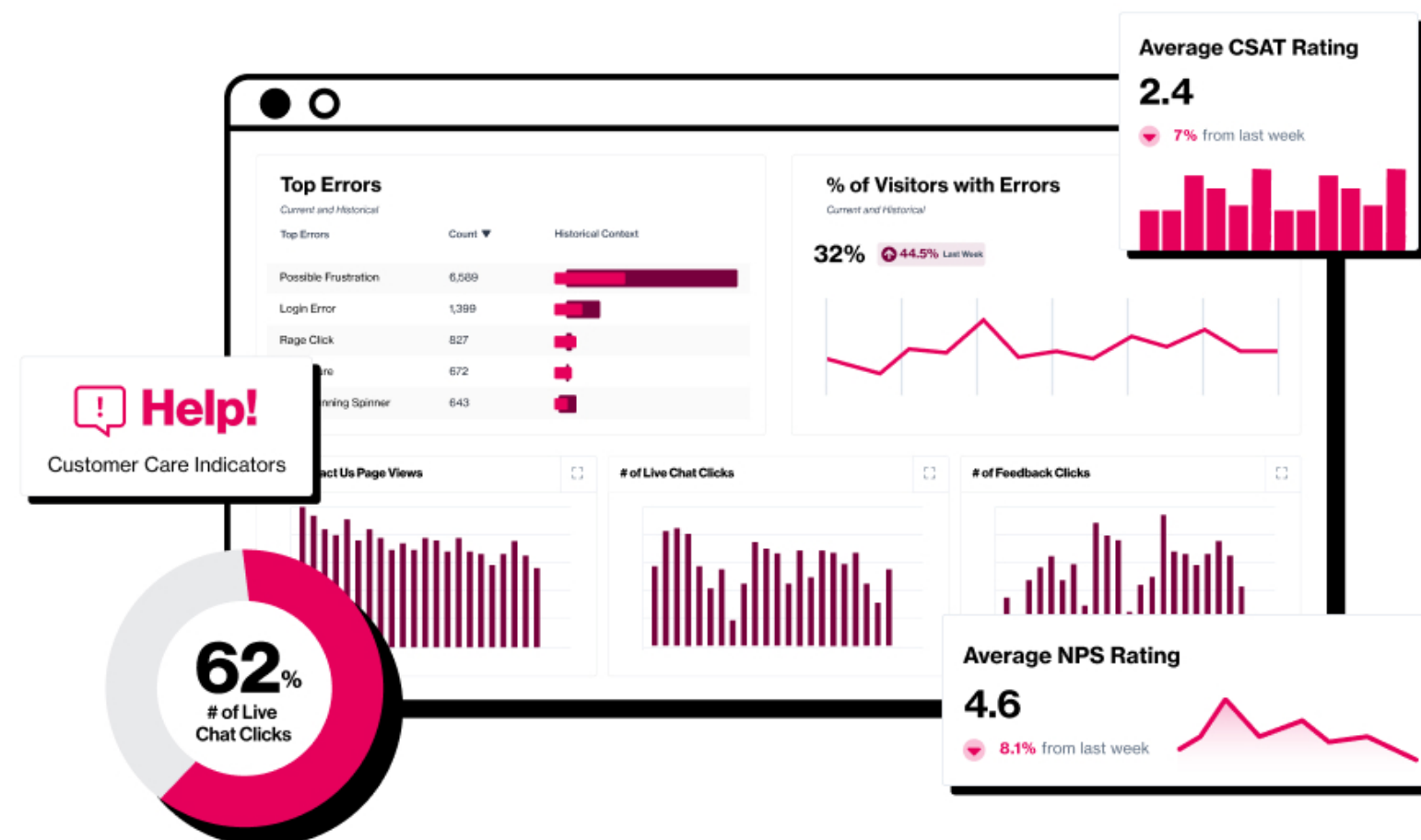
EVALUATION: HOW WELL DOES YOUR TEAM SET PRIORITIES?

- Above average. We move with speed and confidence to address priorities.

- Average. We operate at an adequate pace but find certain hurdles in prioritisation

- Below average: We lag in pace and frequently disagree on priorities

Quantum Metric

08

Adapt a CPD methodology.

Businesses fail by focusing on metrics that are related to finance alone, not customers. One of the challenges with agile is that people have opinionated views about what is important in the backlog. Connecting the backlog to actual customer feedback and business data helps an organisation set priorities and determine who owns a specific problem.

Continuous Product Design takes the concept of agile and applies it across an entire organisation, including IT/Ops, business, and product. So when teams address a design flaw or technical error negatively impacting users, they should do so with the customer and business in mind. Continuous Product Design means that everyone is responsible for the digital experience.

It's also very important to build a strong feedback loop across this continuum that reinforces the learning and adaptive capability across CPD. As we move through the Discover, Define, Develop & Delivery lifecycle, it's extremely important to understand which teams are doing which work, and how this process moves through your company. For example, if we don't take the time to explore and define the interaction between development teams and operations teams, we are unlikely to achieve the customer or colleague outcome we expected.

Similarly, if we don't take the time to use the customer signals from the operations teams and feed those back into the product definition phase, we will miss what's causing the most customer friction and frustration in any future product enhancements. Without CPD, you still have business people and engineers taking guesses at what they think a customer needs. And finally, let's go back to the people dimension, which is where it all starts. When we get this right, we create a great culture and a great place to work. Remember the quote 'culture eats strategy for breakfast'?

Well it's true, and when we work in a great culture we engage with each other and our customers differently and feel great about what we are doing. On a personal level, I love working in an environment where our deeds match our words. That's my definition of organisational and personal authenticity. When words and deeds match, we get action, movement, and progress. Who doesn't want to feel that?!

Quantum Metric

Quantum Metric helps insurers build better digital products faster.

Insurance providers use Quantum Metric, the Continuous Product Design platform, to understand digital client flows across the customer lifecycle. The platform, which ensures that data privacy and security are never compromised, helps digital teams reduce client friction so that insurers can increase cross-sell, enhance self-service, and improve call center outcomes.

Learn how the Quantum Metric platform works:

Get started instantly with a simple tag or SDK deployment.

Learn more

Integrations with existing tools

Web Analytics
Voice of Customer
A/B Testing
App Performance Monitoring

Ingestion of real-time data

Behavioral
Technical
Business
Web
Native App
Kiosks

Customer Signals

Automated detection
Automatically surface business, behavioral, and technical anomalies.

Visual evidence
View the actual customer experience as the "indisputable truth."

Quantification
Instantly calculate business impact to prioritize opportunities rationally.

Alerting and monitoring
Proactively evaluate the impact of every release in real-time.

Continuous Product Design Platform

Single Version of Truth Based on the Customer Experience

Business
Product
UX
Dev
Ops
CX