

Summary

There have been many articles written about companies “going Digital”. However, the definition of digital is often vague or has different meanings depending on the interpretation of what it means to be a digital enterprise. For many executives, it is about a technology solution set, but for others such as the Life and Annuity distribution channel, digital is a new way of engaging with customers. Companies who pursue digital channels are looking for more modern ways of changing their business model. For all executives in the organization, both technology and business, it is important to be unified on what digital means, the objectives of a digital strategy, and the impact to the existing business model.

This report is a 5-part series looking at the life and annuity digital enterprise from different perspectives: the definition of Digital, the Consumer Perspective, the Agent Perspective, the Digital Ecosystem, and what we call The Digital Touch.

Part 3: Agent Perspective

This report provides a perspective of the digital enterprise from the agent point of view. There is no business and technical domain that is so driven by the expectations of the consumer. Companies are not driving the pace of change, rather the change is being driven by the customer. Customers expect relevant content customized to what they are doing, anytime, anywhere and in the format and on the device of their choosing. It’s their journey that dictates a company’s digital strategy. The agent needs to be a part of this journey.

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Cultural Barriers for the Digital Agent

In the early stages of the digital revolution, Ernst & Young conducted a 2013 Strategy Survey entitled, “Insurance in the Digital World: The Time is Now”. In that survey, taken with over 350 insurers worldwide, **insurers themselves indicated that their companies were the larger factor holding back digital innovation and implementation**. In many companies, there was a mindset that insurance is bought not sold and therefore requires a face-to-face interaction. Companies did not want to upset the apple cart and were fearful of creating **channel conflict** between digital sales and their agency sales force.

Fast forward 7 years to today and the companies themselves and/or the agency force staff are still one of the major impediments to insurance digitalization. The Digital Insurer (TDI) in a recent article says “So much have agents been left out of the digital revolution by their companies, that many agents themselves have bought into the “fake news” that digital technology will take away their rice bowl”. As proof positive, the article also referenced the recent protest in Singapore by over half of Prudential’s agency leaders over Prudential’s on-line sales. However, a recent Deloitte study shows that agent follow-up to digital research was rated as the key factor in making the decision to purchase insurance by consumers.

So, what’s up with this disjointed situation?

As has happened in many other industries, the first insurance investments were in *automation* not *digitalization*. Those investments focused on the buying/selling process and the associated sales support tools. Although the paper application process accelerated, the expected acceleration of the overall application process and the level of agent efficiencies did not materialize. In fact, where insurers did not understand the specific customer consumption patterns, those point of sale (POS) tools actually made it more difficult to sell to customers who were buying multiple products in the same sale (e.g. whole life and term when not all products were supported by these automated tools).

To understand where the investment in digitalization will yield the greatest benefit, and to break the cultural barriers for the digital agent, we need to look at the customer research and information gathering patterns, the starting point of the customer journey. Customers are gathering data and researching in the digital world via advertising (general or targeted), personal references, recommendations, and referrals all made through social media. While many insurance companies do actively participate on social media at the company level, the majority still have not invested in promoting and supporting their agents on these sites where all the life event triggers are happening and being discussed. Agents themselves need to be highly visible for the consumer to see them as viable resource for advice and for themselves to enable social platforms as a source for prospecting.

Consumer Objections to Face-to-Face

There is a general belief that customers do not want to have a face-to-face session with the agent. However, recent studies have shown that is not entirely correct. While consumers love to “do their homework” online, follow-up by an agent is often the trigger for the actual purchase. Many consumers still want advice from a professional.



The objection to the face-to-face is often centered around the *invasive medical process* that the agent is required to initiate; the use of third party vendors, *parameds*, have been less than successful due to the additional scheduling required and the customer's reluctance to have yet another party involved in their personal medical information.

Digital Tools for Agents

As previously referenced, there has been much investment in agent point of sale (POS) tools that are designed to accelerate the non-medical verification portion of the application process. Some involve straight-thru processing where applications make it to the insurers underwriting process without any manual intervention, and where given certain limited circumstances, a policy can be issued without a medical review.

Other tools include a **CRM** that is accessible by both the **agents** and **home office staff** and allows for information storage from both the home office and agent point of view for the same customer. Insurers can record contract/policy information while agents can store information s/he might use to personalize interactions with this customer. One of the most widely used CRM's in the industry is *Salesforce*.

Email marketing is probably one of the oldest digital tools for agents, but to be effective, agents must include a call to action and be aware of and understand what the *open* and *click-thru* rates are. "Email only" providers generally deliver higher open and click-thru rates.

Social media marketing tools are the backbone of the digital agent's livelihood. Being visible and staying active in social media is imperative. These tools can include personal websites and other tools which can be used in combination with websites or as standalone tools.

- **Personal websites** – some insurers have already been actively supporting *agent websites* for their field force that are company branded or sponsored. When this concept was first implemented, the associated administration was overwhelming, but technology has made it entirely manageable now. This enables standardized marketing information to be furnished by the insurer but still provide the opportunity for agent personalization on their own site
- Other tools provide the ability for agents to **acquire information** to **post or email** to prospects. They include platforms/services that allow agents to:
 - Obtain the latest industry news or press releases
 - Generate links to articles that prospective consumers would find interesting and relevant, based on a topic specified by the agent
- Yet other tools provide for **posts to be scheduled** for a week, or a month or even a quarter. Using this scheduler in combination with the "information generators above" is a powerful advantage for an agent



- **Remarketing or retargeting** platforms and tools allow agents to connect or reconnect with consumers using display ads based on visits to their websites or other criteria such as targeted audiences on specific social media platforms
- **SEO (Search Engine Optimization)** provides the agent with a much higher visibility for their website as might be expected, but it also is a great tool for an agent to position themselves as an authoritative subject matter expert via the website content. SEO has moved past the point where keywords are the only SEO technique that matters. But keywords still are a critical component and are more complex. *Local SEO* is critical when consumers are using a tablet or smartphone for research because those devices often have *local intent*
- Search engines consider sites with **backlinks** (links on one website that, when clicked, take the user to another site) to be more valuable, of higher quality and more authoritative. The most widely used best practices for building backlinks include guest blogging, mentioning industry influencers in your own content, or creating/using infographics that are likely to be shared frequently by others.

There is a tremendous amount of material and courseware on digital marketing. All these tools provide agents with the ability to become visible and a part of the customer journey.

Why Omni Channel Works

Just as there is confusion with digital terms, confusion exists with channel terms. While they are often used interchangeably, Cross-channel, multi-channel and Omnichannel are often used interchangeably they are representative of different customer experiences.

- **Cross-channel** is the reference to a consumer's ability to use two different channels to achieve the *same goal*
- **Multi-channel** indicates that there are multiple channels for customer interaction, but those channels are not integrated
- **Omnichannel** is the presence of integrated, multiple channels that provide a seamless customer experience

The trend in multiple channel distribution was initially driven by the need for efficiency and improved distribution while Omnichannel expands on that and is expected to satisfy the consumer's expectations created by retail digital experience. As Sarah Stone indicates in her 2019 web article, "Why the Insurance Industry Needs Omnichannel", companies who focus their Omnichannel efforts on the customer's journey and experience see higher and faster growth levels than those who do not.

Omnichannel enables consumers and customers to use the channel that they are most comfortable with at any point in their journey and to switch channels at any point along the way. As noted earlier, even consumers in the younger age brackets who prefer digital for research are often reaching out to agents for advice. As Sarah Jones points out, successful Omnichannel requires the insurer to quickly gather and



accurately manage, maintain, communicate, and make the customer's information available regardless of the channel used. As noted in many studies, the millennial generation contacts their insurers more often through social networks and through mobile, but their satisfaction rating for the experience is typically lower than other generations. Perhaps they have higher quality expectations.

Omnichannel works not only from the customer satisfaction viewpoint but also from the insurer's expense perspective. The increased overhead costs for insurers can be offset by maximizing their digital channels and using customer data to increase conversion (e.g. sale), the key to lower cost customer acquisition.

Concluding Thoughts

The material available on this subject is exhaustive and evolving daily, but as we have discussed *millennials* have grown up in an environment where researching and purchasing products and services online is the norm; they have certain expectations about digital businesses. Subsequent generations will have even more affinity to technology buying; and with the recent pandemic a vast majority of the population in the United States who may never have purchased online previously, have now had experience with and exposure to digital business.

Bottom line: The insurance world has already experienced great disruption from online technology capabilities especially those introduced in retail. More focus is needed on the customer journey and the inclusion of traditional agents in the digital world. Digital marketing for agents can combine the best components of multiple channels and should increase conversion and retention rates

Companies must, at a minimum, provide an *omnichannel* experience for the customer journey investing in big data, analytics, and POS sales tools. But the integration of these technologies is key. The successful company will also invest in digital marketing at the company level and actively integrate and support digital marketing with agents.

Thoughts for the Future: Beyond Omnichannel - Moving into the world of digital business, insurance companies need to think about their *business strategy* and what *ecosystem* is needed to support it.

About the Authors



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About Mantissa



Mantissa Group provides business and technology strategic consulting services. Mantissa supports the Chief Information Officer executive and their leadership teams, with a focus on CIO engagement as a business leader. Mantissa has practical experiences supporting leaders with **technology strategy, executive coaching, leadership development**, and relevant **research** for technology organizations.