

# Top Issues

Improving the customer experience  
with data analytics

March 2019



[www.pwc.com/us/insurance](http://www.pwc.com/us/insurance)



## Improving the customer experience with data analytics

**Most insurers are making investments in data analytics to gain better insights into all aspects of their business and the market. That said, insurance by its very nature has always been a data-driven industry. What's different now?**

For starters, many carriers are reimagining their core markets and product sets in order to find the right customers, use the right channels, and make the right offers, all at the right time. They're keenly focusing on knowing their customers – internal staff, agents and advisors, employers, and retail – and using the most relevant available data both to improve the user experience and create stronger relationships with and among all customers. And, while such a personalized approach is still fairly new in insurance, the companies that are able offer on have lowered acquisition costs, increased customer satisfaction, and gained a corresponding competitive advantage.

**A personalized customer approach is still fairly new in insurance, but the companies that are getting it right have lowered acquisition costs, increased customer satisfaction, and gained a corresponding competitive advantage.**

This need to provide more bespoke service is the result of consumer experiences with online retailers and service providers. Customers now increasingly expect that insurers will know something about them at the first point of contact – before they’ve had to fill out a fifty-question application – and be able to quickly suggest a variety of products and services that improve their quality of life. This has put considerable pressure on carriers to make the buying experience less cumbersome, easier to understand (i.e., in plain English), and much quicker. Building a prototype, testing it in focus groups, refining it, testing it again, and then finally releasing it just isn’t feasible anymore.

Fortunately, insurers have much greater access than ever before to customer data, effective analytical tools, and useful marketing technology. This is enabling them to reach customers and deliver a personalized message on a regular basis, with a clear line of sight into what’s working and what isn’t. They’re increasingly able to quantify the pain points that cause a customer to leave – a true “moment of truth” – and use this data to improve the customer experience. Moreover, it’s now possible to do all this in real time and at low cost, and with the flexibility to experiment with messaging to a particular segment within a particular channel or with a particular offer.

**New data analytics are helping carriers to quantify the pain points that cause a customer to leave – a true “moment of truth” – and thereby improve the customer experience.**





## The underpinnings of success

Despite notable progress at many carriers, we realize that learning curves vary, budgets aren't limitless, and no-one can make every single one of the changes and improvements they'd like. However, there are some basic considerations for getting the most from recent advances in data analytics:

- The first is clearly defining a) the customer segments and interactions that are your top priorities, and b) the insights you need – and when and where you need them – to drive the experiences that result in new business and better customer retention.
- The second is that, although insurers typically possess copious amounts of data, third-party data – both structured and unstructured – is increasingly complementing internal resources. Many carriers are trying to identify the right types of third-party data, understand its value, how much they should pay for it, and how they can integrate it into their own systems and processes. This typically requires a separate operating model and dedicated team to effectively institutionalize external insights and build them into in-house operational processes.
- The third is taking a holistic approach to data-driven decision making and pushing it out to the edges of the organization so everyone can make better, faster decisions. Establishing a culture that respects the value of data insights is likely to transform the way your organization works. To facilitate this process, we recommend developing pilots that allow you to test what works and what doesn't. For example, you could deploy AI chatbots and experiment with them internally. This sort of test and learn environment can help you gain practical and practicable insight, as well as help develop a culture that understands the power of data.
- The last is modernizing your foundation to make it agile, flexible and reusable. You'll need to determine the type of architecture that can take you into the near and long-term future, as well as the data governance that promotes data quality and usefulness. You'll also need to develop the integration architecture that will make data relevant for your employees and easy for customers to interpret and use.

## For more information

### Juneen Belknap

Principal, PwC  
+1 617 312 9463  
juneen.belknap@pwc.com

### Scott Busse

Principal, PwC  
+1 312 298 3597  
scott.busse@pwc.com

### Marie Carr

Principal, PwC Strategy&  
+1 312 298 6823  
marie.carr@pwc.com

### Tom Kavanaugh

Principal, PwC  
+1 312 298 3816  
tom.kavanaugh@pwc.com

PwC director Eric Trowbridge also contributed to this report.

[www.pwc.com/us/insurance](http://www.pwc.com/us/insurance)

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 236,000 people who are committed to delivering quality in assurance, advisory and tax services.

Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PwC does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2019 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.