

Digitisation: Taking insurance industry to next level of growth

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The recent decade has seen unprecedented transformation in the financial landscape shaped by forces of globalisation, advances in technology, shift towards greater market orientation and innovation. The most significant and outstanding trends come from the digital environment — especially smartphone technology penetration in emerging economies offering compelling and immersive customer experience.

India is also witnessing the rollout of the Digital India initiative to connect rural areas with high-speed Internet networks and improve digital literacy so that every citizen is empowered to access a host of services with a broadband connection. The country is fast moving towards cashless transactions and a less-cash economy to become a digitally advanced nation on the global horizon.

Insurance is a tool for protection against financial loss. It is a form of risk management. In a fast-growing economy like India, it becomes critical that insurance products and their value reaches out to maximum people. Whether it is life, general or health insurance, it is important that all citizens have access to ensure protection against any uncertainty.

For many decades, the insurance industry has been striving to spread awareness of various products. In today's connected world with overload of information, it becomes essential for players to come up with solutions which are customised to various segments of customer preferences. The one-shoe-fits-all approach doesn't work now.

Great expectations

Customer expectations have gone up dramatically over the years. Today's consumer with online access is exposed to hundreds of options. It is thus important for companies to adapt to new realities improve their product portfolio and servicing cycles. This calls for increasing investments to drive innovation and improving digital infrastructure across the country. The industry must gear up and ride the irreversible wave.

In the insurance space, the three pillars of

customer lifecycle—prospecting, on-boarding and servicing have already seen progress on digital migration. Companies have started to come up the curve in each of the segment. The front-end sales process has already gone digital. Customer payments at the time of sales closure are seeing an increasing rate of adoption. The on-boarding process is also moving fast towards migrating on the digital platform however servicing has been rather slow in the journey. The adoption rates from the consumer will have to play a key role in increasing the digital penetration and the industry will have to play a key role in driving this. Millennial consumers expect a seamless, relevant and personalised experience across all channels of communication and hence imperative that both walk the journey together.

Customer experience as a driver of Innovation

It is important to ensure customer loyalty and reduce churn. In a rapidly evolving environment driven by increased use of social media, mobile chats, instant messaging and multiple forums to voice concerns and complaints from customers, businesses will have to keep a tab on moving with the fast paced environment.

From being channel focussed to creating an ecosystem where channels become irrelevant and only customer experience in entirety matters, Omni-channel is thus becoming a prerequisite for all companies. Companies will have to work towards giving a customer experience which is agnostic to the platform and is a proactive measure to the aspiration and desires of the customer. Analytics will play a big part in pre-empting the demands of the customer and hence reliance on insights and data will gain importance. In today's fast paced world, it should be every business leader's mission to explore more functional and efficient ways of working to create a digital roadmap which would match the expectations of the customer.

This needs to be at the top of 2017 to-do list and every enterprise should aspire to keep pace with the evolving world.

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