



# Exceed policyholder expectations. Everywhere. Every time.

Why top insurance carriers are  
making the shift to one-to-one  
engagement

You don't need to be a data scientist to sense a change happening right now. With digital channels and AI going mainstream, traditional marketing and sales tactics aren't getting the job done anymore. If your approach isn't personalized and perfectly timed, it'll likely fall flat. So how can you break through the white noise to drive real value and deeper policyholder connections?



## 99 out of 100 policyholders aren't paying attention

Channels are siloed. Campaign responses are down. And many carriers can't even connect with existing policyholders – much less find new ones – without hemorrhaging time, budgets, and reputation.

**In a sector with more than 5000 unique marketing solutions,<sup>1</sup> the average campaign response rate is less than 1%.<sup>2</sup> That means on average, 99% of the messages we send are largely irrelevant.**

**Every interaction matters** – each one is an opportunity to bring the policyholder closer or push them away. Policyholders now expect you to know them and understand their unique needs. This means that today's carriers need to add value at every step of a policyholder's journey path, and provide a seamless experience across every channel.

Carriers are attempting to close the gap by investing in the best people, platforms, and intelligence but have yet to see the expected ROI – and won't unless they change their go-to-market strategy. Engaging policyholders with the same disconnected, product-push campaigns no longer produces results.

## It's time to radically shift the way you engage

To break out of this trap, you have to stop constantly interrupting policyholders' lives and become a valuable part of their day-to-day experiences.

This requires carriers to rethink how customer relationships work, and how they develop. They have to empathize with each individual and add value every time they engage, instead of falling back to just pushing products and services. This is a big ask because it requires us to calculate a **next best action** for every touch – to ensure each interaction is relevant to the policyholder, while still valuable to the carrier.

## 3 ways to go beyond product pushing

**So how does a next-best-action approach work?**

1

Next best action goes beyond the tactics of traditional outreach and marketing – **it analyzes each policyholder's complete profile and current context, in the moment**, while an interaction is still taking place. It calculates the right approach for a specific person, and situation, based on their needs and the organization's goals.

2

Next best action is not just about making marketing or sales offers. Instead **it considers all the retention, service, claims, or risk options that are available**. Every option is modeled and examined, and the next best action is the option that best balances policyholder relevance with business value.

3

Traditional campaigns push products to policyholders at arbitrary points in time. With a next-best-action approach, **you trigger messages exactly (and only) when the policyholder needs them**. They never see irrelevant outreach – you wait until the time is right and engage only when you're likely to add value.

<sup>1</sup> Chief Marketing Technologist Blog, Scott Brinker (2017) <http://chiefmartec.com/2017/05/marketing-technology/landscape-supergraphic-2017/>

<sup>2</sup> Direct Marketing Association, 2017 Response Rate Report (2017) <https://thedma.org/marketing-insights/responserate-report/>

# How to make it real (and get real results)

Implementing a next-best-action approach requires you to make three significant changes. These aren't small things, but they're critical for success.

## A one-to-one policyholder approach

Shift from traditional one-to-many segmentation to an approach where decisions are made in real time for each policyholder. This is instead of grouping policyholders into segments, where context is lost or underserved.

## A centralized decision authority

Stop channel, program, and product-driven targeting, and use a single "brain" to govern engagement across policies, channels, and business units, based on what's best for the carrier as a whole.

## Always-on engagement

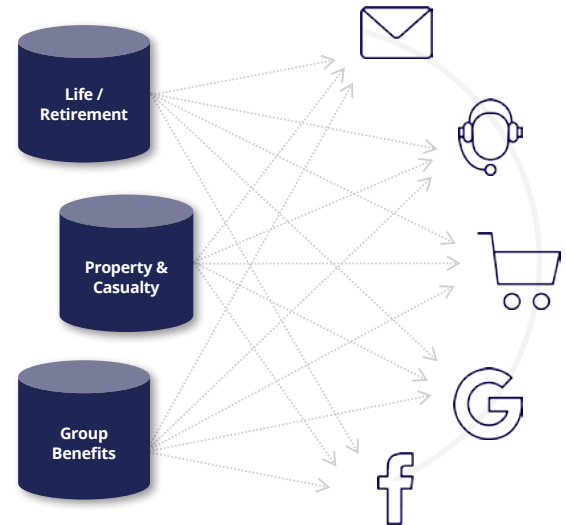
Move away from scheduled outreach, push campaigns, and large batches to an always-on model that never stops or starts. Instead, it continuously engages policyholders during calculated "moments of need," regardless of channel.

This kind of transformation doesn't happen overnight. Instead, it's an organizational evolution that has to happen channel by channel, and case by case.

Carriers invest because they see the potential value, including:

- **Increased policyholder engagement which improves outcomes**
- **Increased policyholder satisfaction/net promoter score (10-40 points)**
- **Increased response rates (3-6x)**
- **Incremental agent-sales opportunities (2-3x)**
- **Significant return on investment (3-5x)**
- **Minimal payback period (4-6 months)**

## Decentralized strategy



## Centralized strategy



Real one-to-one engagement requires holistic thinking, not segmentation by program, service, or product.



**"We've detached the channel from the proposition. With Pega, we're omni-channel in our next-best-action approach. It's about being one voice, one brand, for the customer – regardless of channel."**

– Jeroen Dijkstra

Product Manager Omnichannel Personalization  
**Achmea**

## Who's getting it right?

Industry leaders are already embracing this approach, with stellar results.



Achmea uses Pega's real-time, omni-channel AI to personalize each engagement for nearly 10 million customers across inbound, outbound, owned, and paid channels. Their goal is to add value during every interaction, providing unique insights, advice, and recommendations for every one of their policyholders.

- 85% save rate when using next-best-action recommendations
- 200% increase in upsell conversion rate
- Personalized interactions across 11 channels



## Don't be left behind.

To learn more about how insurance carriers can use next best action to recalibrate their policyholder relationships – including a proven formula for success – **download our whitepaper.**

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