

**NTT Data**

Trusted Global Innovator

# 2022 Trends for Insurance Digital Marketing

Thought Leadership



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## CMO, the Company's Transformation Superhero

The insurance market is in constant change due to several global circumstances that are constantly growing, on which depend the opportunities, but also the challenges of today's insurers. Moreover, the COVID-19 pandemic has left the industry with nowhere to hide. Coronavirus and the resulting lockdown have affected every corner of the business world, and the political, social, economic, technological, budgetary and energetic uncertainty resulting from the situation has become a day-to-day.

The insurance industry itself is also facing a serious structural challenge. The industry as a whole is in red by average economic profit, with huge disparities in performance among the profitable carriers and the rest of the pack. As insurers struggle to sustain growth, the pressure to boost performance has become an urgent priority. Unlike other industries, which have been able to capitalize on their investments in digital technologies, insurance has not increased its overall productivity in the past ten years.

Insurance has been experiencing a shift in customer preferences and expectations. Users expect interactions with service providers to be fast, efficient and as simple as possible. But the insurance industry is lagging behind other industries in giving consumers what they want – a seamless and easy digital experience.

Increasing performance by achieving scale through M&A or creating ecosystems to capture value in adjacent markets is complicated and has been an option for just a few leading insurers. Moreover, digital attackers (including aggregators) are reshaping the competitive landscape

and altering the cost curve by commoditizing product lines and driving down prices through increased transparency. Emerging risks, from cyber to the increasing frequency and severity of natural catastrophes, also threaten to undercut established business strategies. Lastly, investments in innovation and new products for future growth will require a more productive core.

All these changes and difficulties undoubtedly sneak into all the roles that play part within insurance. The organizational vision has changed, and consequently, the organizational structure must follow suit. CEOs and top executive board members are no longer to be the only powerful sources of transformation, but other leaders within the insurance industry such as the CMO and the CIO are to be joining them in this new scenario.

Innovation, then, is no longer just a matter of the IT department or of a single Transformation Officer. The boundaries between different areas within many organizations must begin to blur and innovation must become a multidisciplinary objective where technology, business and marketing represent the three strategic pillars to invest in with the same amount of effort. These three areas, altogether, master consumer needs from all the required perspectives: from the very beginning of the client cycle when quoting an insurance policy to the renewal of their coverage after a great customer experience.

Marketing activities acquire now a level of signification and leadership never acknowledged before. While traditionally assuming as responsibilities to develop and define the company's marketing strategy around customer experience, digitization, branding, product, analytics and segmentation,

public relations and some times even sales responsibilities, they are now also one of the most important originators of customer-centric strategies, a factor that has lately become the sine qua non of the insurance industry. They hold the throne of customer data, metrics and insights and are the masters of communicating with audiences a message that, more than ever, is relevant to keep your brand ahead of the game. Remember, it is not what you do as a brand, but what your customers think of you as a brand - what will make your company stand out from the rest.

The reality is that traditional marketing strategies are no longer valid in the current context. The hyper-personalization and the appearance of new channels, together with the change in customer behavior, makes it necessary to redefine the role of Marketing and CMO.

The CMOs must become the key transformative element of an insurance company. And he or she must link the Marketing strategy and its specific tactics to what the rest of the areas of the company are doing. It is not just the classic collaborative approach between the CIO and the business areas, but the CMO takes on a role of flagger or "champion" to lead the transformation.

CMOs have now the opportunity to analyze and integrate information from a top priority position, optimizing not just simple marketing campaigns or interaction channels on a second or even third level, but the whole insurance sales process throughout engaging, personalized, simplified and adapted services.

Additionally, according to data from Adobe's "COVID-19's impact on the CIO's evolving

role”, IT managers have a particularly strong bond with CMOs. In fact, 95% fully agree to take joint action with CMOs to improve the customer experience that their companies offer to consumers. And 93% of CIOs assure that joint work with the CMO and the Marketing area promotes innovation.

In parallel, the same study indicates that the IT-Marketing binomial allows more personalized customer experiences to be launched in the different digital channels. An example of this is the emergence of technologies based on Artificial Intelligence such as GPT-3 (Generative Pretrained Transformer), developed by OpenAI.

The latter is an autoregressive language model with 175 million parameters that deep learning uses to produce text like that produced by humans. In the field of Marketing, it allows to automatically produce small content: product descriptions, headlines with a hook for clients or publications on social networks. In such a way that it allows to automate the copywriting and content creation, tasks so far carried out by the Marketing areas.

The insurance market is increasingly demanding agility, simplicity and customization. But the reality is that many insurers still carry out many of their Marketing actions with outdated and inefficient models. The challenge is to connect all the customer data that the insurer may have (either its own or third-party data, complying with data protection regulations) and channel it towards personalized and fast marketing actions. Consider, in the previous example, if an insurer must do a marketing campaign today, the copies of the campaign probably do not vary

much depending on the audience. But if the company used technologies such as GPT-3, it could launch multiple campaigns with different messages adapted to each client cluster in real time.

The opportunities that technology offers to Marketing are increasing in an expeditious pace and CMOs must leverage their experience and emerging technologies to redefine the Marketing strategies of the future. In this white-paper we analyze the different challenges CMOs face in the insurance industry and reflect on how the convergence between Marketing and Technology can help to position the CMO as the banner of the transformation of the company.

Given our expertise in the insurance industry and thanks to the wide knowledge of our professionals in marketing areas, from NTT DATA we present a series of specific challenges that CMOs must be cautious of to take their companies to the top. We highlight the six most essential actions of our [2022 Insurance Vision](#) for these decision-makers and each of the detailed to-dos that must be undergone to improve processes, customer experience and cost savings and, mainly, to lead transformation beyond the Insurance scope.

# How CMOs Can Address Their Challenges

We currently live in a world where insurance companies face a great challenge: communicating their key and distinctive message to their audience in an increasingly competitive environment. In a context where price is no longer the most important element for customers, companies must reach out to people with products and services that are adapted to the real needs of today's consumers.

In other words, insurance companies must commit to acknowledging people's interests and connect them directly to their products and services. In this regard, insurers must recognize and address challenges regarding diversity, sustainability, physical and mental health, technological innovation and, most importantly, empowered personas, who are increasingly demanding and call for hyperpersonalized experiences.

It is no longer enough to have a fantastic customer journey that somehow meets these global requirements. It is about insurers beginning to understand how to complete this journey, integrating end-to-end products and services that satisfy customer needs. Even, on certain occasions, incorporating third parties or partners who provide some 'elements' that insurers are unable to provide: technological advances, new ideas, new products.

It must be noted that the insurance industry has already begun to experience a change in customer preferences and expectations. Users demand for interactions with service providers to be fast, efficient and as simple as possible. The insurance industry has lagged other industries in offering consumers the seamless, easy and digital experience they want, but there is still room for them to take their rightful place and compete in the Insurance Liquid Ecosystems. And, in this changing context, a fundamental

aspect that must be considered is the budget allocated for Marketing actions. Although most companies are increasingly returning to normal after the great impact of the COVID-19 pandemic, the budget available to marketing directors has fallen from 11% of the company's revenue in 2020 to 6.4% in 2021, based on data provided in Gartner's Annual CMO Spending Survey. This drastic slowdown also stands out because, for the first time since 2014, the figure has dropped from 10.2%, marking the lowest record registered.

In the survey, over 400 CMOs from the United States, Canada, the United Kingdom, France and Germany were analyzed. Among the questions provided within the investigation, those related to marketing spending encompassed significantly diverse focuses such as branding, paid advertisement, email marketing campaigns, web contents and Martech solutions. In fact, according to Gartner, the expenditure in this latter area represents 26.6% of marketing budgets in 2021.

Overall, while the role of CMOs is moving upwards in the organizational's hierarchy, the reality for these leaders is that they are expected –and will be so increasingly in the following years– to do more with less: less money, less support, less time and less face-to-face interactions with customers. This "More with Less" mindset will require marketing departments to adopt and execute more effectively while implementing cutting-edge technology advances to optimize their workflows.

Moreover, the role of the CMO is transforming as data provides better customer insights and the organization moves towards a more agile business model. CMOs should no longer focus solely on storytelling or aligning the organization with customer centricity. Instead, they can play a leading role in the great reestablishment of financial services as

growth drivers and capacity builders and play a prominent role in the strategy debate of organizations.

The following paper will be focused on the six main actions we have determined from our ["2022 Insurance Vision. Going Beyond the Insurance Scope"](#) that will likely help in making the aforementioned challenges little-to-none

jeopardizing for the company: Align your CX with the Ecosystem, Go Smart Distribution, Focus on Efficiency and Simplification, Become an Insurance aaS Organization, Be an AI-driven Company, and Consider Talent and Culture Changes. Each of them is individually defined and include the specific steps or to-dos to be taken in order to succeed in the matter.

### Align your CX with the ecosystem

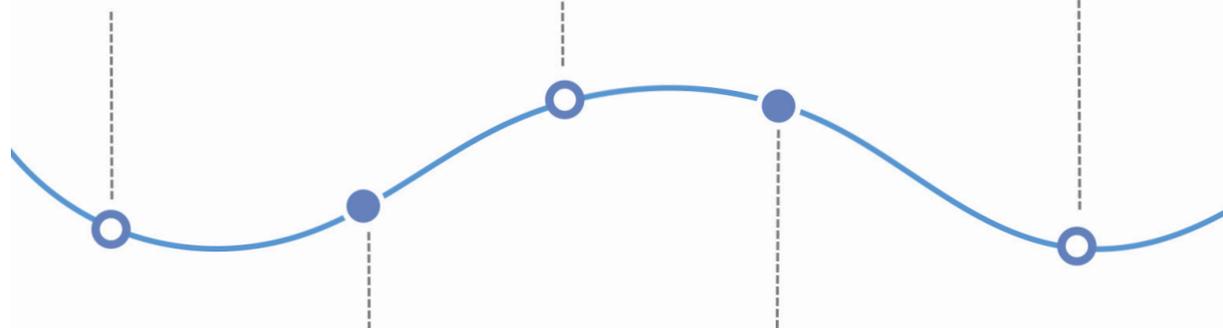
- Build **Tech Giants-level customer experiences**
- Create a **100% liquid customer experience** in the ecosystem.
- **Optimize your sales**
- **Start connecting your customers** with your company through your own **IoT** or third parties (Wearables for Health, Connected Home, Connected Auto ...)

### Go Smart Distribution

- **Reinforce onsite channels**
- Implement a **B2B2C platform for distribution**
- Understand **technology and data as a fundamental part** of distribution
- Make it your goal to **reduce the customer acquisition cost**

### Take advantage of the 4 forces

- **Rethink your partnerships**
  - Make partnerships with **entrants**
  - Partner with **S**
- Make the most of **Tech regulations**
- **Observe the new movements** of ins



### ~~Be a Data~~ an AI-Driven Company

- Obtain and process **actionable and real-time data** and integrate it into all units (cross).
- Understand **Data as the fuel** for your business
- **Have an ethics strategy** around the data.

### Focus on Efficiency and Simplification

- Adequate your resources for a long-term career.
- Make a **Talent-Fit plan** to adapt the capabilities of your employees

### Accelerate Transformation

- **Have an** **company** **being m**
- **Standard** **solution**
- **Impleme** **architec**
- **Be Cloud**
- **Focus o**

# Six Actions for CMOs

Age  
es

Partnerships;  
relationships with new

Startups  
Insurance and

strategic  
insurers

## Product Mix changes

- **Health first.** Prioritize Health care.
- **Look for new products** to obtain new margins. Keep an eye on your product mix.
- **Find clients in other areas** in which your company does not currently operate.
- **Adapt your new services** to the new type of clients.

## Manage Unexpected Challenges

- **Consider the new actuarial risks** that affect the conditions of the policy
  - **Natural disasters**
  - **COVID-19 / pandemics**
  - Aspects related to **prevention: IoT** to mitigate or minimize risks.
- Prepare your company for the **Global Battle Against Fraud**
- **Cybersecurity.** Proactively equip yourself with the necessary tools

Integrate IT  
transformation

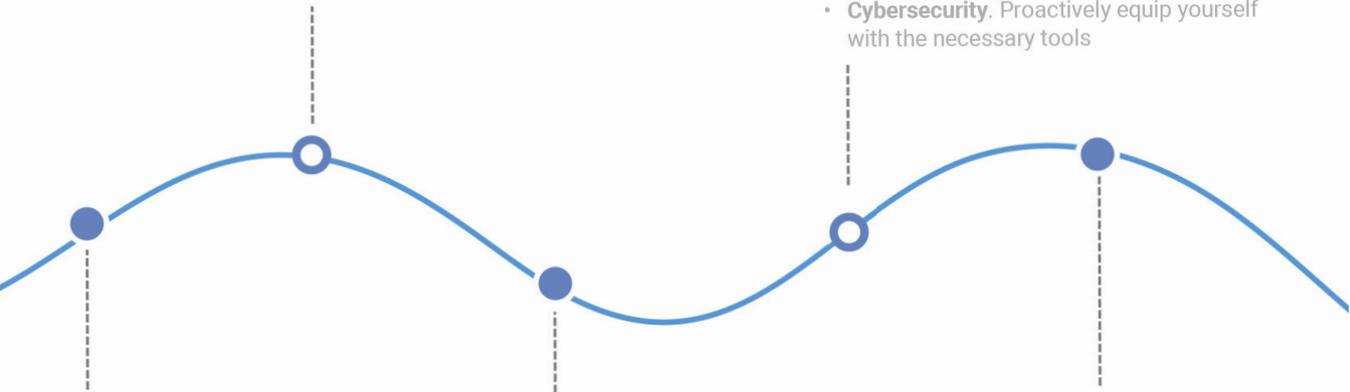
IT that accompanies your  
company's transformation (integrations,  
more agile =  
optimize your core IT (custom or market  
solutions)  
Implement new modular and integrated  
structures  
Cloud Ready  
Transition to Agile & DevOps

## Become an Insurance aaS

- Become a company **connectable to the ecosystem.**
- Be a **service-oriented insurer** to be able to play a relevant role in ecosystems.

## Consider Talent and Culture challenges

- **Adapt your company to the new global culture:** empowered people, sustainability, new geopolitical rules ...



# 1. Align Your CX with the Ecosystem

## CHALLENGE

### Be Where the Customer Is

Companies have been saying for many years that they are customer centric. But despite good intentions, it has been far from being a general guiding principle. Now, putting the customer at the center of everything must be fully internalized and should not be limited to creating a seamless shopping experience. Insurance companies need to reach their customers at the right moment and throughout the right touchpoint.

Insurance companies are now at the center of a new scenario represented mainly by what we have denoted as the Insurance Liquid Ecosystems. These are a constant flow network where tech-savvy companies of all sectors are interacting constantly with clients and different players in both ways to deliver seamless and fluid experiences. In this respect, barriers among industries, value chains and business models are broken down and all players among the different ecosystems coexist in the same environment.

Accustomed to Tech Giants, Telcos and new entrants' experiences, consumers are demanding highly digital, smooth and easy experiences. Moreover, they are looking for brands that display humanity, compassion, and a desire to use their power for the greater good, not just to increase their bottom line. Marketers need to take this into account and build a brand equity that connects with customers on an emotional and personal manner too.

## WHAT TO DO

### Know Your Customer

Identifying the client's needs, those aforementioned touchpoints, is the very first step when becoming a human-centric company. CMOs are responsible for recognizing customers' pain points as to genuinely empathize with their frustrations and so use the available knowledge within their departments and the rest of the company to offer suitable and viable solutions.

However, this process is no longer just a matter of tracking a web behavior; the depth of this understanding is not as quick and easy to reach. CMOs need to spot developing trends in the marketplace, identify product or functionality gaps and point out early leads on customer behaviors. Likewise, leaders must take advantage of technologies such as Big Data, Artificial Intelligence and Cognitive Intelligence as key factors in the means of delivering an enhanced customer experience.

### Focus on retention and CX

Notwithstanding, mere information gathering at a first instance is not enough to earn changes in terms of sales and revenue. CMOs must constantly collect and review customer data, as the more the insurer does, the higher the expectations of its clients. So, the demands and the habits will increase as the customer experience also enhances.

One thing the pandemic proved is that companies cannot afford to skimp on customer retention in favour of customer acquisition. While acquisition is important for gaining market share, keeping your existing customers happy with better customer experiences will be key for 2022 and likely beyond.

And what is needed for better experiences? Data, all kinds of data from every touchpoint. CMOs must take part in and take advantage of data strategies as to build loyalty among the company's customers. Turning clients into fans conveys revenue increases without incurring into extra costs, and, thus, without the need of augmenting the marketing budget.

Moreover, customers that genuinely love your product or service and consider themselves fans of your company embody one of the most powerful marketing tools in the world: word-of-mouth. This will certainly bring new clients as personal recommendations create trust and security that are significantly difficult to deliver otherwise.

However, engaging with customers is not just a matter of data. CMOs need to develop a strategy that connects with customers across their whole policy lifecycle. Not only when attracting new clients during quotations phases and even purchase steps, but, most importantly, when facing the renewal journey. These are the three key moments for board members and decision-makers to pay extreme attention to. Especially considering the latter, as customers that are greatly satisfied by your service, will continue to return to you again and again.

### **Assure Hyper-Personalization**

You have earned the trust, you have attracted or retained your customers, but now you must comply with such expectations you have promised them with. Modern marketers understand that relevance is hugely important. When content is tailored to a client, he or she is more likely to pay attention to it and, consequently, follow the corresponding calls to action.

The behavior of today's consumers depends, to a large extent, on their emotions and on the influences they pick up from outside. Some insurance companies worldwide have already understood the importance of building emotional links with their customer bases. American insurers Bestow, New York Life insurance and Ethos have embraced the challenge of providing easy and fluid processes through digital tools, such as to bring Life insurers closer to the younger generations. Millennials were, and still are, a target to these companies which approach through innovative marketing ideas, as just 25.9% of youth own a Life insurance policy according to a Prosper Insights & Analytics research.

Bestow, a low-premium, online and term Life insurance agency, has made use of humor in several campaigns as to reach those customers who are still far away from acquiring a Life insurance policy. In their commercials, guilt plays an important role as those people without Life insurance are seen as outsiders by their friends and family, even shamed for it. Tannen Campbell, Bestow's CMO has affirmed the increase on traffic after these campaigns, especially during the pandemic where the interest in Life insurance has boosted "as people start to consider their mortality more seriously".

On the other side, New York Life insurance, more of a traditional insurer, has appealed to consumers throughout their "Love Takes Action" campaign. This spot undoubtedly targets to the hearts of consumers and elicits feelings of compassion and affection. With the campaign, customers are now asked explicitly to act for the good of their closest ones, by purchasing a Life insurance policy.

Finally, we have the Ethos' case, a digital Life insurer with less than five years of experience in the market. They launched "Why I Chose Ethos", where real people shared why and how its policies had worked for them. This boosted the word-of-mouth of which we have talked about, as well as the sense of trust and confidence resulting from real-life experiences with which anyone can empathize.

Furthermore, hyper-personalization goes way beyond a simple adjustment of the message to contain the name, title or organization of the user. Hyper-personalization consists of the use of real-time behavioral data to create relevant and special scenarios for the user to be attached to the insurance product or service. Some companies have even started to bet on neuromarketing strategies for these efforts.

CMOs must start to understand and work with these technology-enabled tools in order to be able to build growingly behaviorally-based segments which can be analyzed and furthermore approached to on one-to-one experiences. However, in order for this strategy to be sustainable across time and to avoid time-consuming and non-concluding tactics, marketers should stay away from ad hoc initiatives and stop trying to target all people but start with a few behaviorally-based segments then test, analyse and work towards 1:1 personalization from there.

Likewise, marketing areas must streamline workflows, manage content intelligently and from there, integrate technology and automation as main imperatives for delivering personalized content at scale. However, the technology needed to deliver personal

experiences is often complex and has a steep learning curve. Here is where the Customer Data Platforms (CDP) come into play. These allow companies, through unique customer files, to create and manage highly personalized customer journeys, with emails sent based on consumer behavior and habits.

These integrate data sources to create an individual customer profile across all channels, create specific experiences based on a holistic view of each client and participate in a conversation with each customer while they explore your brand through different channels, devices and experiences.

### **Storydo, Not just Storytell**

This message is certainly key, and the channels, devices and experiences an insurer decides to use are also important. However, it is no longer enough to just connect with consumers through a simple plot, through the traditional storytelling. Now it is necessary to storydo. With storydoing, the aim is to go one step further, starting from the prior knowledge of what we want to tell, what we want to provoke in the receiver of the message, and what we want to achieve. In short, it is going from saying to doing, from telling to living, and from transmitting a message to creating a story in the real world.



## — 2. Go Smart Distribution

### CHALLENGE

#### Distribute Digital and Unichannel

Alongside the customer, smart distribution is at the center of those Insurance Liquid Ecosystems discussed above. The way in which insurance policies are distributed nowadays is far from the traditional, highly recognized insurance company-provider model. Sales and distribution are now unichannel and digital, and customers can hire an insurance policy through agent portals, mobile apps and even third-party non-insurance-related digital spaces.

We can now deliver the right content, in the right language, at the right time, to the right person, across multiple touchpoints. Now, the experience of purchasing insurance is faster, with active involvement on both the part of the insurer and the customer. Smart contracts enabled by blockchain instantaneously authorize payments from a customer's financial account. Meanwhile, contract processing and payment verification are eliminated or streamlined, reducing customer acquisition costs for insurers.

The role of insurance agents will be changed dramatically by 2030. The number of agents is reduced substantially as active agents retire and remaining agents rely heavily on technology to increase productivity. The role of agents transitions to process facilitators and product educators. The agent of the future can sell nearly all types of coverage and adds value by helping clients manage their portfolios of coverage across experiences, health, life, mobility, personal property, and residential.

Customers, now, wake up to a world where their every need can be addressed through their smartphones. The most successful companies in the digital era, including Alibaba, Amazon and Facebook, were all designed on platform

business models. Meanwhile, an ecosystem is an interconnected set of services that allows users to fulfil a variety of needs in one integrated experience.

Agents use smart personal assistants to optimize their tasks as well as AI-enabled bots to find potential deals for clients. These tools help agents to support a substantially larger client base while making customer interactions (a mix of in-person, virtual, and digital) shorter and more meaningful, given that each interaction will be tailored to the exact current and future needs of each individual client.

The client profile has also changed, and it is important for the insurer to be able to identify their customer base accurately. The insurer might offer its products directly to customers as always on B2C models, to an intermediary on B2B models or leverage third parties to distribute the insurance companies on B2B2C models. The digitization of ecosystem is helping to standardize the relationship with the customer and what was originally a B2C scheme can now be either B2B or B2B2C. Adopting an ecosystem mindset will be an arduous journey for many insurers, but those that understand this evolving landscape can take the first steps to creating new revenue sources.

## WHAT TO DO

### Pay Attention to Both the Online and the Offline

There are many distribution methods for insurance, three of them being face-to-face agents, direct to consumer, and call center agents. Each presents its own opportunities and challenges in the market.

Face-to-face marketing is often expected by the consumer, as that has been the traditional method of insurance distribution. The emotional sale of Life insurance tends to be aided by in-person connections. It also allows for strong two-way communication about product features, which is very important for complex offerings. But this type of distribution is tough to be efficient in terms of productivity because the face amounts tend to be low, resulting in lower commissions than the agent could earn from other sales.

Direct-to-consumer marketing can reach enormous volumes of potential applicants at low costs, and it doesn't have to overcome the low-commission challenge of face-to-face agents. Direct marketing also allows for a great opportunity to present all the necessary information to the applicant and utilize technology such as e-signatures and electronic delivery of important documents. However, this distribution method lacks the personal connection between the agent and the applicant. This method generally results in a lower proportion of leads completing applications. It also requires significant technology costs to develop and maintain a consumer-driven platform.

Call center distribution can achieve a blend of the two above. It allows for an agent to connect

on a personal level with a large number of potential applicants. Reaching a large number of applicants can offset the low premium and commission challenge noted above. Effective call centers often work better with less-complex products that are easier to describe verbally. Technology that allows for voice and/or e-signature options is very important to call centers.

Likewise, ROPO (Research Online, Purchase Offline) refers to a very widespread trend among today's consumer. The customer searches for product information online to later go to a better-informed physical location.

Many insurances were trying hard to go totally online and replace their traditional business model. They were seeking ways to reduce fixed costs and increase margin. ROPO proved that strategy wrong. Keeping the physical presence can also be beneficial.

Many marketers believe in customer support or expert guidance provided in a physical office as there is still a fear of not hiring the right insurance product directly from the website, becoming one of the most significant barriers in the sales process.

Although a large share of customers search for information online on insurance products, most will still finalize their purchase offline. Even for relatively standard products such as Motor, Home and Health insurance for individuals, only a small share of customers (less than 10%) will purchase their product online end-to-end.

Due to these online conversion rates, insurers have been looking to capitalize on that trend and acquire customers digitally, developing various

business models, from direct digital sales to omnichannel models, with different levels of success.

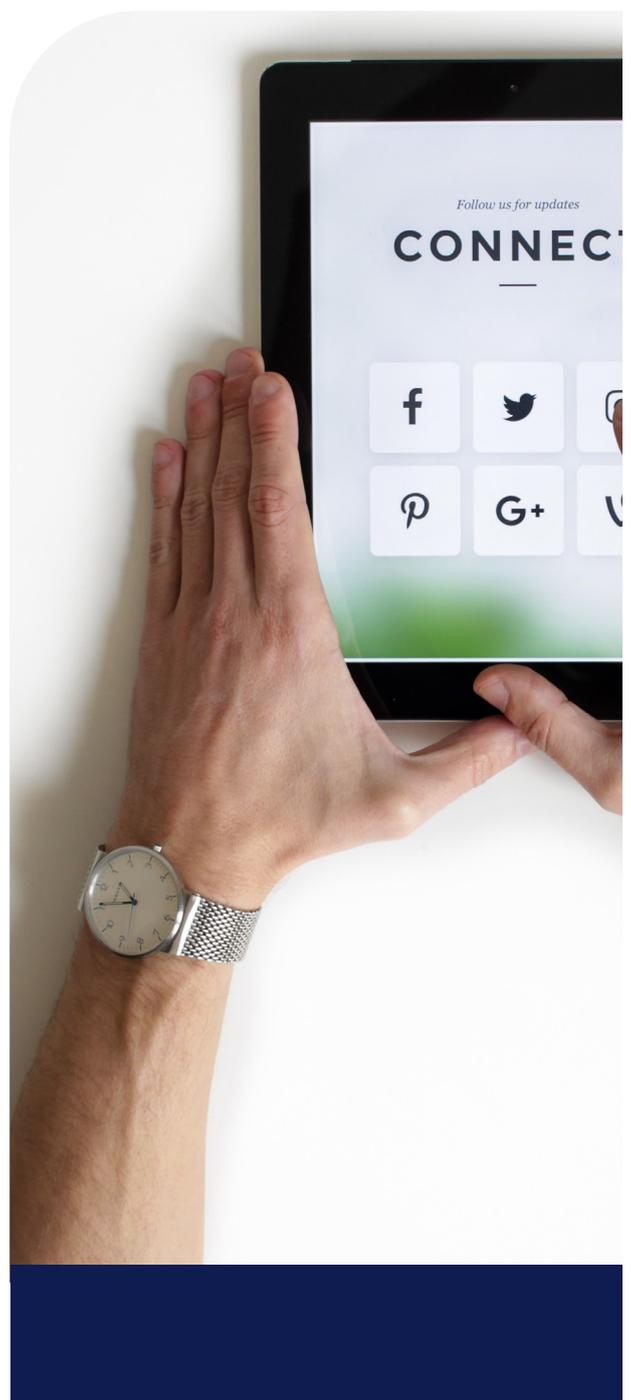
Now that marketers understand the customer needs, it's time to benefit from this behavior measuring in both digital and physical worlds and combining the information to get more insights.

### Choose Where to Be

Although insurance is naturally a mediated industry, so CMOs must not forget to market traditional channels of distribution, this new context is moving insurance towards a new mediator: Ecosystems. Therefore, leaders need to start thinking about marketing as a B2B2C, where the client buys or acquires because of the brand, not the insurer itself.

Traditional agency distribution is decreasing more and more, thus the new challenge for CMOs relies on digitizing this agency network and integrating it inside the company for the customer experience.

In this respect, we can identify three distinct categories of insurance ecosystems that will likely be pivotal to the future of insurance, many of them driven by new players. First, "segment of one" distribution, where personalized offers are delivered based on deep customer insight. Secondly, "one-stop shop" ecosystems, orchestrating a broad array of services that fulfil an integrated set of customer needs. And third, "connected-object" ecosystems, which offer real-time monitoring of key risks objects such as cars or homes.



In this regard, Chinese technology conglomerate Ping An Insurance Group has managed to build its one “one-stop shop” distribution model, which objective is to cover the whole life cycle of consumers, across multi-industry services and, above all, with world-leading, innovative technologies to support their own ecosystems. They have built four ecosystems, filled in with numerous brands of their own to provide services in all those sectors: Healthcare, Finances, Smart Cities and Auto.

Successful ecosystems such as Ping An’s are defined by the depth and breadth of potential collaboration among the set of players. Together, the abilities of all parties in the ecosystem are amplified, allowing the value of the ecosystem to be greater than the combined value of all the players on their own.

If insurers fail to create their own ecosystems, they run the risk of being limited to the role of a pure risk cover provider. Other players may then be better positioned to provide a more nuanced and valuable customer experience, to impose their brand, and to own the customer relationship.

Insurers can be an important, worthy element of an ecosystem. Insurers have the data, distribution channels and innovation practices that many tech startups would envy. They have decades —often centuries— of industry experience and institutional knowledge of the complex regulatory environment. For these reasons, insurers are more than capable of turning disruption into an opportunity with the right partners.

The role of marketers has changed. The surface interaction with the customer is fuelled by the

dynamic, data-driven orchestration behind the scenes that leads to that connection. Through our experience, we have found that ecosystems can benefit customers when their interactions are supported by the right data. You need to understand how your customer interacts with your digital assets in order to customize and alter them, personalizing each touchpoint where possible. There are no shortcuts, but if you actively measure the good and the bad, you will be able to understand your customer and adapt your ecosystem accordingly.

Insurers need to better understand the needs of their customers. Thus, they need to create intelligent ecosystem offerings. They must be perceived as preferred partners in relevant ecosystems to complement them with their offerings. In other words, insurers need to become “ecosystem-capable”.

Digital ecosystems enable insurers to optimize the customer experience by increasing the number of touchpoints with customers and by providing new services. Ecosystems can also create extra value if they are marketed to especially desirable customer segments. Once such customers enter the ecosystem, individual products and services can keep the customers’ transactions inside the ecosystem by referring customers to other solutions within the ecosystem.

## Go Phygital

The phygital is the bridge that joins the online and offline worlds, a new way of living the shopping experience in which the borders that separate both worlds end up being confused, creating a hybrid model. The aim is to bring together the best of the physical world and the digital world to offer a complete and satisfying customer experience.

The phygital trend not only responds to changes in consumer habits, or the growth in the use of mobile devices, or a greater offer of electronic commerce (partly due to the pandemic of 2020): it is also a strategy of the brands to integrate your physical and digital marketing efforts in order to increase your sales opportunities.

Phygital, hence, is an integrated marketing experience. This wholly digital approach towards financial services has left some customers longing for the days when they could walk into their local branch and speak face-to-face with a member of staff to sort out their finances. Similarly, some customers will struggle to manage their finances online and so depend on physical branches to deal with their accounts.

CMOs must be aware of new digital, online channels, without leaving behind the offline. Combining the physical branch with digital features can create significant cost reductions compared with the existing branch model while also benefiting the customer by giving them more access to information specifically relevant to them, in turn having positive effects on the institutions' income.

## Invest in New Channels

The fact that these ecosystems and the growing demand for digital surround the insurance scope, obliges CMOs to move from traditional channels of interaction to new ones, where the customer certainly is.

For instance, with the explosion of eCommerce, and the need to sell online in an accelerated way without having a platform for it, by many businesses, WhatsApp has become a strategic application to increase sales in all of them. Likewise, social media, although been a marketing staple for several years, since the pandemic started, people have been spending more time online. You know your business and know who you are trying to reach. Focus on your target demographic and experiment with different types of content (video, images, shared blog posts) to find your formula for success.

In addition, televisions are experimenting with programmatic advertising formats tailored to their needs, with content marketing on a catwalk for sales. With the shoppable TV, consumers will be able to buy what they see on their screens, be it clothes, coffee, food, furniture or insurance.

Likewise, digital technologies have disrupted many industries and have had a significant impact on how insurance providers engage with and meet the needs of today's consumers. With competition emerging from nimble startup Insurtech companies and an increasingly digital tech-savvy consumer base, the industry has been propelled towards more agile and efficient business models.

Advancements in Artificial Intelligence (AI) are now creating opportunities for insurance companies to apply the technology in ways that leverage automation and engagement models. An area of AI insurance that is proving highly valuable for insurance is natural language processing (NLP), in the form of conversational AI solutions.

Commonly referred to as chatbots, virtual assistants, digital assistants or digital workers, the application of conversational AI in insurance extends beyond just simulating human conversations to solve customer issues using natural language as an interface. In essence, this provides customer self-service and automation models that are fueled by AI. These solutions help marketers gathering, verifying and processing customer information.

One last of these emerging tools is computer vision, which uses AI to analyze images and videos as to identify objects and provide actionable insights. Within the insurance industry, computer vision technology is currently being used to help improve both underwriting and claims processes. Computer vision enables insurers to capture underwriting data more easily and allows for the use of new data that was not traditionally used. It also enables insurers to expedite the claims processes by letting AI perform damage assessments using pictures. This improves the overall customer experience, as policies can be priced more accurately and efficiently while claims can be settled in a timelier manner. Marketers, finally, can also benefit from this technology, as they can follow the customers in physical locations and track preferences, measure behaviors and interact with them in real time.



## 3. Focus on Efficiency and Simplification

### CHALLENGE

#### Speed Up Time-To-Market

The rapid pace of innovation has led to shorter product life cycles, more markets to address, and a lot of stress. The risk of delaying time-to-market is too high; it can result in loss of market share and brand damage.

Technology is fundamentally transforming the way we live our lives. Newcomers are afforded a tremendous opportunity to capture a larger market share and old incumbents need to reinvent themselves for this new era.

We all know that simplifying complex legacy business processes and IT systems is easier said than done, but to remain relevant in the Digital Ecosystems era insurers must grow, adapt and streamline. The goal is to identify simplification ideas, have short implementation timelines, and deliver business results in six to nine months.

### WHAT TO DO

#### Build Business on Efficiency

Insurers must gain efficiency along their whole value chain as to ensure the process optimization that achieves some of the time-to-market goals we have already explained. CMOs must guarantee value-adding collaborations with suppliers and partners through integration, as well as improving their team's abilities to react to new market conditions in an agile way.

Part of this effort is to remove as many roadblocks as possible and automate normally manually undergone tasks to have a better workflow management, for instance campaigning or web analytics reviewing. It is not about rethinking whole areas of work, but

those segments that for a reason are impeding the efficient developing of your process.

The more you can automate business processes and eliminate human-governed tasks, the more bandwidth your team will have for creating value, providing you with the ability to focus on other strategic activities that enhance the overall value of the insurance product or service

#### Provide the ROI

In parallel, aligning marketing objectives with business objectives is essential to achieve more relevance, so advertising must be focused on achieving results, not on making customers desperate. Let's focus better.

The year-on-year challenge is to show ROI so that you can optimise how you invest. Proving the ROI of your activities is not only helpful for taking decisions, but it is vital for maintaining a functioning marketing team. We need to stop looking at marketing as an expense and justify it as an investment. Taking tasks from a cost centre to a profit centre is one of the many benefits of thinking in terms of ROI.

CMOs need to identify key areas of consumer communication spending, even if these areas fall beyond the marketing function. They must focus on results, on metrics, rather than just on notoriety. The first step is aligning sales and marketing teams based on common goals within the organization, with the aim of improving revenue. Companies with strongly aligned sales and marketing teams can achieve 20% annual revenue growth.

Additionally, CMOs must align marketing objectives with those from sales teams, as the

more aligned they are, the easiest it is to justify the budget they ask for. As the role of CMOs continues to grow actively rather than passively, the more the money these departments will need, the more the investment and the more the report they will be asked for in terms of what is and what is not achieved.

### **Simplify Products and Workflows**

Simplification is key. When it comes to product information management, consumers expect to find both basic and detailed product information. Insurance products have always been complex. But, while group, large Commercial and Specialty insurance products will continue to remain complex, mainstream insurers need to simplify their products for consumers and small businesses.

Therefore, CMOs must simplify the variety of products in their attracting and interaction channels, giving better advice, better explanations and avoiding using technical language. They must also create resources that facilitate the understanding of such products, such as videos, audios and even Virtual Reality and Augmented Reality features. Likewise, insurers can opt for facilitating product comparison within their own offer, making it clear for users what they pay for, what they receive in return and what is left out without them having to find it out by themselves from third parties. This increases transparency and trust among your users.

Attention should also be paid to other resources as apps, chatbots, virtual assistants and messaging applications. Insurers must take advantage of these to help clients in the easiest way for them, interacting with them where they are, using the tools they already use to

communicate and launch new products to adapt to customer needs.

We need to continue to strive to simplify the products and the insurance ecosystem so that the customer experience is less complex, more efficient and more tailored. Bespoke. Simpler. Cheaper.

Nevertheless, simplification is much more than just making channels more understandable to clients. As we explained in our ["Simple Processes for Smarter Customers" white-paper](#), simplification must become a top priority for insurers; must be put at the core of the overall insurance company's business strategy. So has Allianz, which has risen their "Simplicity wins" initiative to the very foundation of the organization, based on three pillars: outperform, transform and rebalance.

In other words, they have understood simplicity as a means for productivity increase, business scalability and new business development. The strategy's agenda puts customer, digital, excellence, growth and meritocracy as its main focuses and has delivered a 25% increase in the Net Promoter Score from 2015 to 2021, which refers to the probability a company has, according to its customers, of being recommended to others. Again, word-of-mouth pays off.

# — 4. Become an InsuranceaaS Company

## CHALLENGE

### Connect with the Ecosystem

Thanks to the Insurance Liquid Ecosystems, insurance products have long left to be a mere transaction between the provider and the consumer. The insurance business is moving more and more towards tailor-made, engaging experiences through added-value services that allow such transaction to become an interaction.

Consumers are used to a digitally eased power of choice, which has granted them with self-direction, personalization, immediacy and active participation. Customer-centric insurance companies must incorporate these four pillars when designing their products and, most importantly, when targeting their audiences.

The traditional 4Ps of the Marketing Mix (product, price, place and promotion) are, then, extended to include three more elements: people, processes and physical evidence. People are no longer only the recipient of the product, but a highly important feature during the whole planning of the marketing strategy for it to be effective.

Accurate, but ethical, data collection and processing, along with advanced analytics, are the first step for better risk mitigation, business improvement, timely fraud detection and enhanced customer satisfaction. The insurance industry is moving from simple descriptive models of data towards advanced predictive models that assure quality and precision.

These models allow to better understand customer patterns and increase the insurer's opportunities to cross-sell and up-sell insurance policies. Habits, preferences, possible niches, and all types of segmented and targeted marketing strategies can arise from this information and be applied by insurers to improve business performance. This delivers long term relationships with customers and strong client satisfaction.

## WHAT TO DO

### Become Service-Oriented, But Also Data-Driven Companies

Nonetheless, becoming service-oriented companies is not enough for orchestrating the industry, nor even an ecosystem. Another imperative that CMOs must consider within the success equation is data. Insurance companies need to make use of actionable and real-time information of their customers in order to be able to perform efficiently through the whole customer journey.

## — 5. Be an AI-Driven Company

### CHALLENGE

#### Master Data Management A New Cookie-Less Environment

For years, digital advertising has depended mainly on third-party cookies, which have allowed companies all around the world to identify and track, and so target, their customers online. This is about to change. Google announced in 2020 their intentions for eliminating third-party cookies on its Chrome browser from 2023 on. This measure will have consequences on marketing strategies and their leaders. For this reason, advertisers are racing against time to build their own data. For their part, consumers are demanding greater respect and protection for their privacy.

But not all cookies will disappear, and marketers will find new data sources. For this year, the issue will remain on the table, so it is expected that advertisers will increase pressure on the media to meet their needs for monitoring, targeting and data measurement, in order to focus their advertising efforts and improve the attraction and loyalty of consumers.

Likewise, Google has grouped several of its advertising initiatives in The Privacy Sandbox, among which the proposal FLoC (Federated Learning of Cohorts) will establish a decentralized system of demographically segmented groups, where brands can target their advertising campaigns.

In other words, a new cookie-less environment will force CMOs and Marketing teams to migrate their campaigns and adapt to a new scenario where data sources are not the ones they are used to.



### **Collection and Activation of Own Data**

Collection of own data will be key in 2022, so looking for new sources of customer information should be part of the main activities of marketing. For instance, explosion of data from connected devices will remark. In industrial settings, equipment with sensors have been omnipresent for some time, but the coming years will see a huge increase in the number of connected consumer devices.

The penetration of existing devices (such as cars, fitness trackers, home assistants, smartphones, and smart watches) will continue to increase rapidly, joined by new, growing categories such as clothing, eyewear, home appliances, medical devices, and shoes. Experts estimate there will be up to one trillion connected devices by 2025. The resulting avalanche of new data created by these devices will allow insurers to understand their clients more deeply, resulting in new product categories, more personalized pricing, and real-time service delivery.

Open-source and data ecosystems will be shared and used across industries. Various public and private entities will come together to create ecosystems in order to share data for multiple use cases under a common regulatory and cybersecurity framework. For example, wearable data could be ported directly to insurance carriers, and connected home and auto data could be made available through Amazon, Apple, Google, and a variety of consumer device manufacturers.

### **Privacy and Data Protection**

Privacy and identity are now much more united. Privacy will be the competitive advantage in 2022 and will be linked to identity solutions that

embrace data minimization, put privacy above design and focus on non-personally identifiable information. Given this, many companies will seek new solutions to access to the necessary information that allows them to run user attraction campaigns. This implies a new challenge, since until now the favourite strategy had been the use of email as a solution to privacy problems; however, this path does not fully guarantee obtaining information accurately, nor is it the most user-friendly way.

### **Data Quality**

Data quality will live its highest moment in digital advertising. As advertisers and media accelerate the collection of first-party data, the quality of the data will do the “magic” that the digital industry desires. This is a win-win for everyone, including consumers. As data quality improves, those players without the ability to put up walls will rely on data enrichment to provide advertisers with precision at scale to impact key audiences.

One of the biggest challenges advertisers and media are facing is being able to communicate with consumers and transact effectively in a cookie-free world. If they can't get the identity right, they can't understand or attract audiences at scale, which affects everything from customer loyalty to sales and revenue, as well as business viability.

## WHAT TO DO

### Reinvent Advertising on New Sources of Data

The Google-led initiative on a cookie-less environment has turned the advertising picture into a shifting, but mainly fast-moving, one. And though it might seem as an unstable or challenging panorama, the demise of third-party cookies will certainly bring some advantages to advertisers as well, especially in the long term. Privacy will rise as the number one priority, which will also allow brands to become data-wise ethical and responsible.

Gartner has identified three main steps that marketers must take to prepare for the soon-to-arrive cookie-less world. The first and most important one, according to the analyst, is to develop a strategy to navigate the overlapping, cascading effects of identity and privacy changes, shifting the media mix by redirecting cookie-related media expenditure.

Moreover, Gartner suggests organizations must rethink ad measurement practices, investing in market research and locking in key resources. And last, they assure it is necessary for marketers to adapt to what they define as "Walled Garden World" scenarios that entail increased allocations to Google, Facebook and Amazon, reducing cross-publisher marketing

### Earning the Trust of Customers

The challenge for marketing teams is the acquisition of usable data. Getting ahead and beating the competition requires data and insights into your target market. Carriers will need to take advantage of this year to prepare for the gradual elimination of cookies: talk to their partners about how they are handling third-party cookies and their future plans

and create relationships with new suppliers, partners and platforms while the websites are being updated and look for new solutions.

To gain the trust (and opt-ins) of customers, advertisers must clearly explain the exchange of value. Advertisers have a responsibility to create and communicate that value, be it a more personalized experience, a loyalty program or other incentive. It all starts with a transparent and honest conversation with customers about how their data will be used and giving them complete control so that they can allow or deny access to it. All these, surely, hand in hand with opening lines of communication with customers.

### Improve Data Protection Tools

Make data privacy a part of everything you do. Clearly display to customers the standards you follow to ensure the security of their data. As insurers and platforms invest more in context and build walls around their first-party data, they will face increasing scrutiny to demonstrate to advertisers the return on ad spend and its scale.

"Fenced gardens" may work in the short term for large insurers, but medium and small will not survive alone in this context. This can lead those players to more aggressively lean on data enrichment and test multiple identity solutions, demonstrating their flexibility and agility to meet the needs of the advertiser.

## Invest in Data-Driven Marketing

Data-driven marketing is a trend. To a greater or lesser extent, marketing has always been based on data, but now digital marketing has the tools to know everything that happens around our brand practically in real time. Data-driven marketing is based on the study of past data in order to understand what is happening in the present and make predictions for the future.

This data-driven approach can revolutionize the way we do marketing, giving it a much more scientific foundation, basing analytics on prescriptive and predictive data. With predictive analytics, we go from the past to the future, since what you seek is to determine the future results of marketing campaigns through statistics and modeling techniques. Prescriptive analysis also looks to the future, but instead of predicting what will happen, what it seeks is to guide us on the best way to act.

This type of analysis uses techniques and tools such as business rules, algorithms, and Machine Learning and applies them to a variety of data, including transactional and historical data, big data, or real-time data.

Predictive analytics is also related to attribution marketing. By applying more advanced algorithms and data science to attribution models, marketers can understand where conversions are really coming from and what steps they need to take to maximize them.

However, there are many more techniques marketers can use beyond attribution models to optimize marketing efforts at each stage of the customer journey. Such are lead scoring, path to conversion, strategic customer segmentation, CRO, recommendation systems,

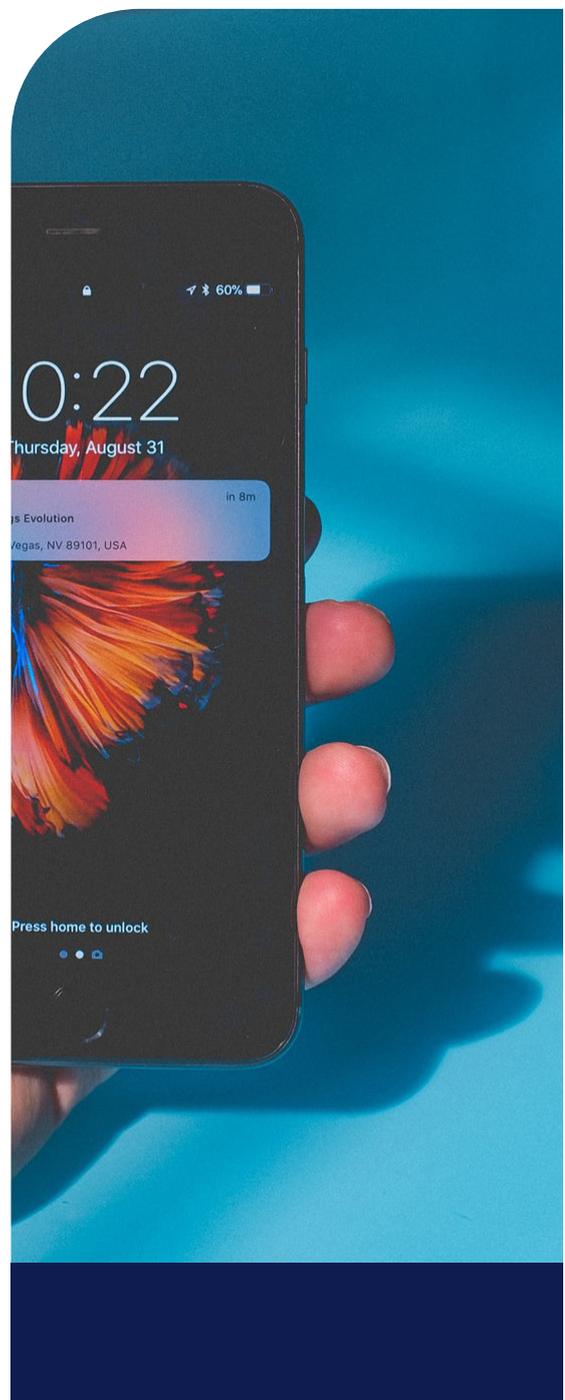
relevance analysis of factors in the purchasing process, identification of retention levers throughout the customer journey, calculation of the Customer Lifetime Value (CLV) or analysis of the churn or unlinking of clients, among others.

Moreover, one of the fastest growing concepts for the coming years is Machine Learning technologies. It is a branch of Artificial Intelligence based on the idea that systems can learn from data, identify patterns, and make decisions with minimal human intervention. Machine Learning has achieved great importance by facilitating, automatically and quickly, models that can analyze larger and more complex data, offering accurate results in real time.

Automation by AI, as already exposed, will make many tasks obsolete, but it also offers a massive opportunity. Professionals will have more time to focus on creative tasks, rather than repetitive manual routines. For example, chatbots are helping brands communicate in the right place at the right time, using AI to answer questions via WhatsApp and Facebook Messenger.

Automated customer journeys, based on AI and Machine Learning are key for real-time marketing. Here the Customer Data Platforms (CDP) come into play, which allow us, through unique customer files, to create and manage highly personalized customer journeys, with emails activated based on consumer behavior and habits. Thus, we can create highly effective messages that consider all relevant aspects for each client.

Finally, Natural Language Processing (NLP) is the latest trend in marketing and Big Data. Its role is to help Big Data systems better understand the information obtained and allow more natural conversations and interactions between software and users. Some more specific applications of the NPL are: voice analysis and synthesis, automatic translation, linguistic revision, information retrieval, answering questions, information extraction, and speech recognition, among others.



## — 6. Consider Talent and Culture Challenges

### CHALLENGE

#### Become Capability Builders

The people factor within the new 7Ps of marketing mentioned in previous actions does not only correspond to the customer as it is, the people who acquire an insurance coverage through any of the available channels, but also to the people from the insurance company itself who interact with such clients. Putting the customer at the center of insurance operations is not an effortless or straightforward task, for it is required to build a team of specialists who tackle this challenge.

As to align the marketing strategy with the organizational vision and with the contextual ever-changing demands, insurers must rewire the company by investing in roles that adapt to these needs. Internal talent is, in consequence, as important as external resources. It cannot longer be afterthought.

The core skills of a CMO might be based around the principles of marketing and understanding customer behavior, but increasing responsibility for enterprise P&L, internal culture, technological adoption, strategic thinking and leadership arguably make the role the most difficult in the whole C-suite.

### WHAT TO DO

#### Collaborate with Other Leading Roles

For the CMO of today and tomorrow, collaboration should be second nature. While this is a skill that almost all employees need, we need to recognise that the top marketing roles are no longer as siloed as they might have been just a few years ago. The ability to understand the other board-level roles, their remits, and

how they all intertwine is no longer a 'nice to have' skill or a 'learning on the job' situation. A good CMOs influence will stretch across all the key decision makers in a business, and that's irrespective of business market cap.

In this regard, CMOs must collaborate with several different roles across the company. Marketing experts and marketing strategies are also a matter of Chief Human Resources Officers (CHRO), Chief Financial Officers (CFO) and Chief Information Officers (CIO). Therefore, talent strategy rises special emphasis and rigor, just as business or commercial strategies. able to perform efficiently through the whole customer journey.

#### Be Strategic Players

A strong CMO will have a great strategic brain. This is something that's uniquely important in marketing roles, as the CMO needs to be able to create, understand and translate high-level strategy both internally and externally. In fact, the ability to create and sculpt a long-term vision – one that marries business imperatives and growth with a clear assessment of current market forces and emerging trends – is no small achievement.

#### Skill Yourself and Your Team on Technology and Engineering

As processes are more and more automated and technology speed knowledge work, soft skills as creativity, critical thinking and social intelligence will be highly required in insurance companies. According to McKinsey, "the need for technological skills will increase 55 percent from now through 2030, while the need for basic cognitive skills (such as data input and processing) will decline by 15 percent".

Moreover, 10 to 55% of underwriting, actuarial, claims, finance and operations roles are likely to be automated over the next decade.

Moreover, the modern CMO must also have more technical expertise than ever before. A good CMO will be able to understand how the wider business operates, what IT existing systems and processes can (and cannot) do and be able to spot where there are opportunities for technology to improve and automate outdated workflows.

A complete knowledge of the full tech stack is vital here, as is having a solid foundation in the key differences between major technology platforms and their interdependencies. Indeed, the role of the CMO in larger organizations will become increasingly technical and engineering-focused, due to the demands of delivering a rounded digital vision throughout 2022 and beyond.

A good CMO also needs to play a strong analytics game. As technical requirements increase, so a CMO needs the ability to interrogate multiple reporting dashboards and derive actionable insights from them.

Building on this, the ability to analyse internal and external processes for wastage is key, as is the ability to use 'lean'-type methodologies to test new ideas with the minimum of risk and maximum data yield and/or validated learning.

## Manage Organizational Change

This shift in the talent model within the insurance business translates into a shift in the workforce focuses. Insurance professionals will take on different digital responsibilities that enable value creation. This is also reflected on the organizational culture, which will have to gradually attract new talent and, as relevantly,

assess existing employees and reskill them to fill this emerging and constantly changing roles by connecting talent to value.

It's a challenge for marketing departments to keep up with the rapid pace of technological change, let alone entire organizations. Prioritise changes that match your strategy, and do not try to change too many things simultaneously. Stay agile, practice lean marketing, design for change and employ design thinking. Whatever you do, remember change will occur, and it needs to be built into your organization.

## Educate the Enterprise and Challenge Core Beliefs

With digital disruption, the business context changes. All leaders should regularly assess whether their mindset is keeping pace with the change, or lagging, exposing them to dangerous blind spots. They must challenge underlying beliefs and assumptions to ensure they still fit the new digital business market reality.

Marketing leaders are in a prime position to challenge outdated leadership beliefs and model new thinking so the marketing organization can keep pace with rapid change. Marketing leaders will know they are making progress if they feel uncomfortable.

## Amplify Behaviors with Experimental Learning

Experimental learning requires dedicated time and effort focused on developing or strengthening a particular mindset trait. This can be achieved, for instance, by visiting renowned for this trait, evangelizing and role-modeling creativity and innovation within marketing, championing innovation challenge competitions

# Data-Driven Marketing: The Era of MadTech

and hackaton events, leading a cross-functional digital innovation lab or stewarding a venture capital fund.

All these challenges addressed by our six related “2022 Insurance Vision” actions and their specific what-to-dos are just the main characteristics of a world that marketing teams and their leaders are already facing or will likely be facing in the very short term. CMOs must pay special attention to all of these changes and follow the steps we have discussed.

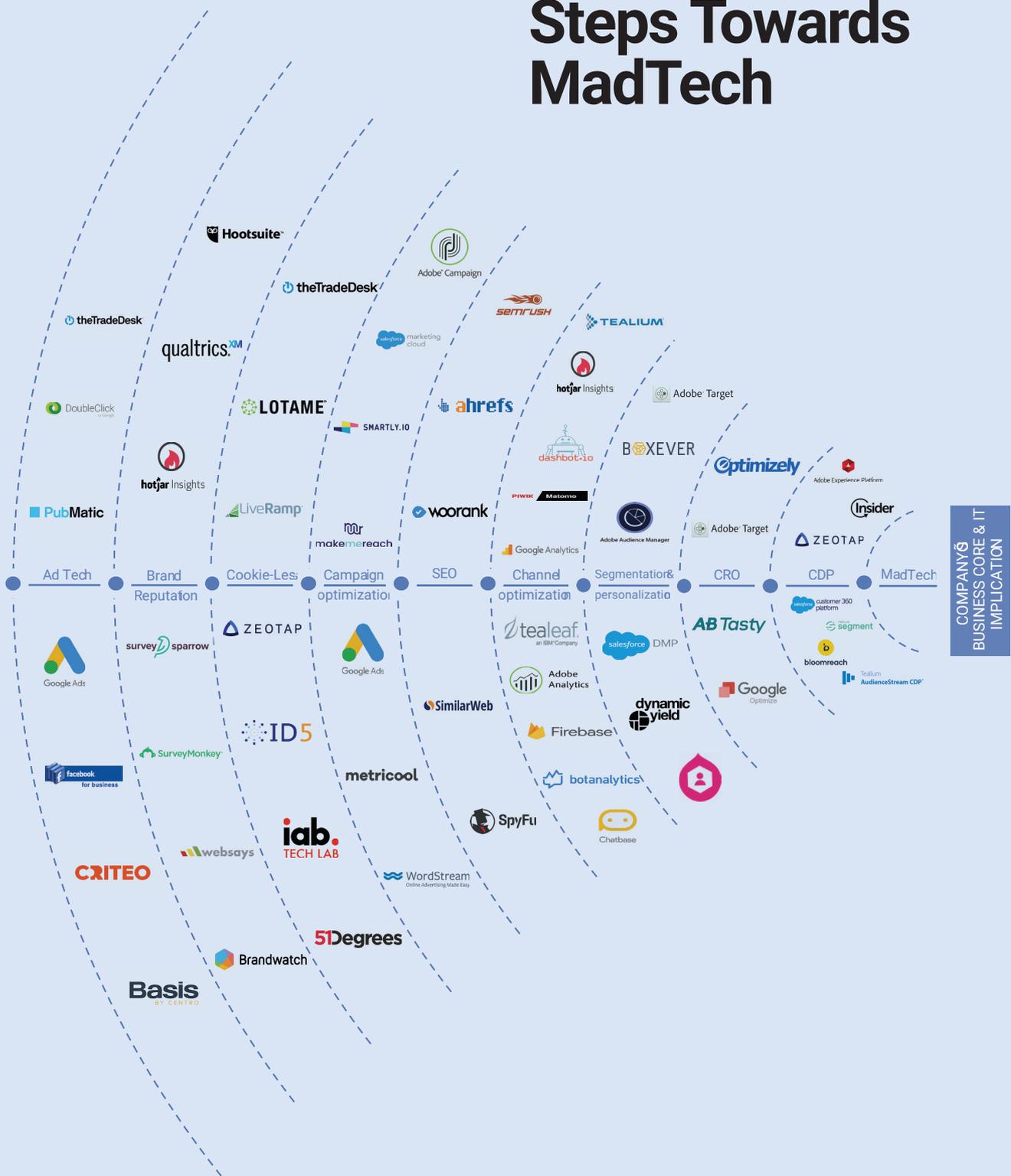
From the challenges all the way to the actions, the marketing industry has been used for already a while to the adoption of cutting-edge technologies such as Big Data or Digital Analytics in their practices. These, as exemplified several times above, deliver greater metrics for their analysis of opportunities, weaknesses and strengths. They also help with greater segmentation and target accuracy, time-to-market optimization and decision-making processes simplification, at the time that allow marketers to better define the brand’s value proposition to consumers.

While traditionally MarTech and AdTech have been significantly distant the one to the other in the sales funnel, they have lately become one, blurring the line that used to separate them. MadTech, then, refers to the combination of marketing, advertisement and technology and represents the ever-growing movement of the marketing areas towards data.

The amount of tactics and strategies that are grouped under the concept of MadTech is huge, for which it is important for CMOs and their teams to understand which things are at their disposal to ensure they cover all the needs of their organizations. Following this, we present a framework on the different actions that could likely lead towards an effective MadTech strategy, and some specific technological tools that are useful to carry out those tasks. They are represented from left to right according to the direct relationship each of them has with regards to a company’s core business, as well as to the IT implication, investment and effort required for them. In this sense, the more to the right they are, the closest they are to core business decisions.



# More Than Just Technology: Steps Towards MadTech



Although this radar of diverse software and solutions certainly shows a list of options that companies have at their disposal in their roadmap towards MadTech strategies, it is as crucial for its effectiveness to understand the different business requirements that can emerge across the organization, as to have the adequate technological tools. In other words, there is much more than the adoption of simple technology that leaders must assure throughout the distinct areas of their institutions in order to respond to the new habits of consumers, who expect a much more personalized and less intrusive experiences.

Our team of experts has highlighted the following 10 essential questions that CMOs must ask themselves in each of the previously named steps to ensure that the resulting MadTech plan builds itself up in a sustainable way:

### **1. Adtech: Am I doing the best digital advertisement I can do?**

Digital advertisement is becoming increasingly complex. There are new channels constantly emerging that, hence, require a better segmentation. Marketing teams need tools that allow them to analyze and manage advertising spaces in a way more efficient manner: they need to assure the data they collect are reliable in order to really understand how advertising is affecting their consumers.

New online sales models are rising and marketing strategies must adapt through new formats, new display management tools and new attribution models. Likewise, marketing teams must advance the real needs of consumers through predictive models, both

enhancing tailored advertisement, personal communication and customer experience.

### **2. Brand Reputation: Has the view of consumers on my brand changed?**

As the relationship with consumers and their habits evolves, sales journeys change and clients are located more and more online, it is crucial for brands to know exactly what customers are thinking about them, their products and the service they offer. There are new formats of product delivery, regardless of which companies must guarantee an excellent and satisfactory sales experience. Likewise, they need to move in an agile way to those channels where people are talking about them, ask and listen in order to be able to respond to their needs.

In addition, the Net Promoter Score (NPS) is one of the tools that allows a company to measure the level of satisfaction of clients and the extent to which they recognize you as a brand. In parallel, other players in the market with strong expertise in the matter of which an insurer may make use of to control and manage their brand reputation are Hootsuite, Brandwatch, Qualtrics, Websays, Survey Sparrow, Hotjar Insights or SurveyMonkey.

### **3. Cookie-Less: How can I get prepared for a world with no cookies?**

As introduced in the challenges, the online panorama is about to become cookie-less after Google's initiative of removing third-party cookies from its Chrome browser. Although these will have a vast impact on those brands who depend on third-party data for the analysis of their client's behavior and the advertisement,

profiles and target tracking across sites, it will also have significant consequences in prospecting, retargeting and conversion measures techniques.

CMOs must start to think on how to strengthen their first party data, collecting information and defining segments on their own. Similarly, they should analyze whether creating an own data clean room is a possibility for the brand and start testing new APIs offered in the market by Giants such as Google and Facebook to validate if the information received differs from that gathered with current systems.

#### **4. Campaign Optimization: Are the campaigns I'm launching the most adequate ones?**

As consumers spend more and more time in digital channels, brands must be present in the more channels as possible in order to actually communicate with them beyond a simple one-time interaction and rather comprehend the real needs of their clients in each moment and adapt their messages to that. The client vision of your brand must be unique, for it is top priority to ensure you are sending the right message for each client in each channel, one that is human and sustainable.

The level of investment in advertising campaigns and communication is more and more important. In the digital scope, investment is growing by the second and it is essential for organizations to collect extremely reliable information of consumers and the return obtained from each campaign in order to make the ad strategy as effective as possible.

The available tools for campaign optimization are increasingly sophisticated, enabling options

for configuration and personalization. The most common ones are third-party cookies, but as we have just seen, the soon-to-happen disappearance of these will significantly modify the way in which leads are assigned to campaigns.

In this regard, advertising campaigns optimization must take advantage of new models of attribution and emerging social media to analyze very in detail the investment results, test hypothesis and segment messages. When it comes to campaigns via email, companies must put the focus on governance and privacy, to communicate only when and how the client expects, avoiding falling into SPAM. Finally, notifications strategies must also be considered to maintain the interest of customers in the messages we send, especially when aiming at building loyalty among them.

#### **5. SEO: Are we reachable and approachable for our target audience?**

Organic traffic is another key variable that companies must focus on. Search engines are constantly updating and improving their algorithms, so it is essential to consider which changes might be affecting you as a company, especially with regards to your positioning in the market. For instance, in July 2021 Google launched a new version of Core. This update is affecting mainly matters of content, valuing its quality and singularity over its quantity.

Migrating to new technologies or simply adjusting your existing technology will have an impact in your content. Therefore, it is important to pay attention to the SEO (Search Engine Optimization), to avoid degrading or losing your positioning.

It is crucial to carry out regular audits to identify where and how we could improve our online traffic. Similarly, organizations should review periodically their best practice and validate whether they are complying or not.

#### **6. Channel Optimization: Are my channels functioning as planned?**

The establishment of online channels, while not forgetting those offline, has allowed companies to both offer their products and services in the digital world, reaching more customers, but also knowing much more exhaustively the behavior of those customers. Moreover, products and services to be validated quickly, which is welcomed by customers. For this reason, it is critical for Marketing teams to constantly review their channels.

Server-to-server (S2S) analytics solutions are growingly used in the area. These enable the collection of data from the server, rather than the client, enhancing performance and security. Also, they are a great solution for customers' exchange of data and information through APIs. In parallel, it is also recommended to activate and start collecting data with Google Analytics 4 (GA4), which is established as a fusion between Universal Analytics and Firebase, a feature that leverages a new model of data based on events rather than on hits or interactions.

Collecting data correctly (and ethically, as well) is something to concentrate on. Collecting data with the information that is really needed and in the most adequate time. The visualization of this data and the knowledge it delivers is also something to bear in mind, as a thoroughly planned storytelling will ensure you are

observing the right information, in the right model, in the right moment.

#### **7. Segmentation and Personalization: Am I offering consumers what they really want?**

The more you can offer the client the information he or she is looking for in the precise moment that they are looking for it, the greater your possibilities of catching their attention and sparking interest in your products and services. You need to be very clear on who your audience is, which are the preferences of each client, and what information this audience is expecting when visiting any of your online or offline locations. This will allow you to design a client-adapted experience, one that is unique for them.

Customer experience personalization is a technique with high impact in the performance and time of response of our digital assets. There are increasingly emerging methodologies and tools that allow us to offer a more tailor-made experience using data, rules and Artificial Intelligence at its basis. However, the excess of personalized content or journey might end up with a loss in their focus and understanding of what is expected from them.

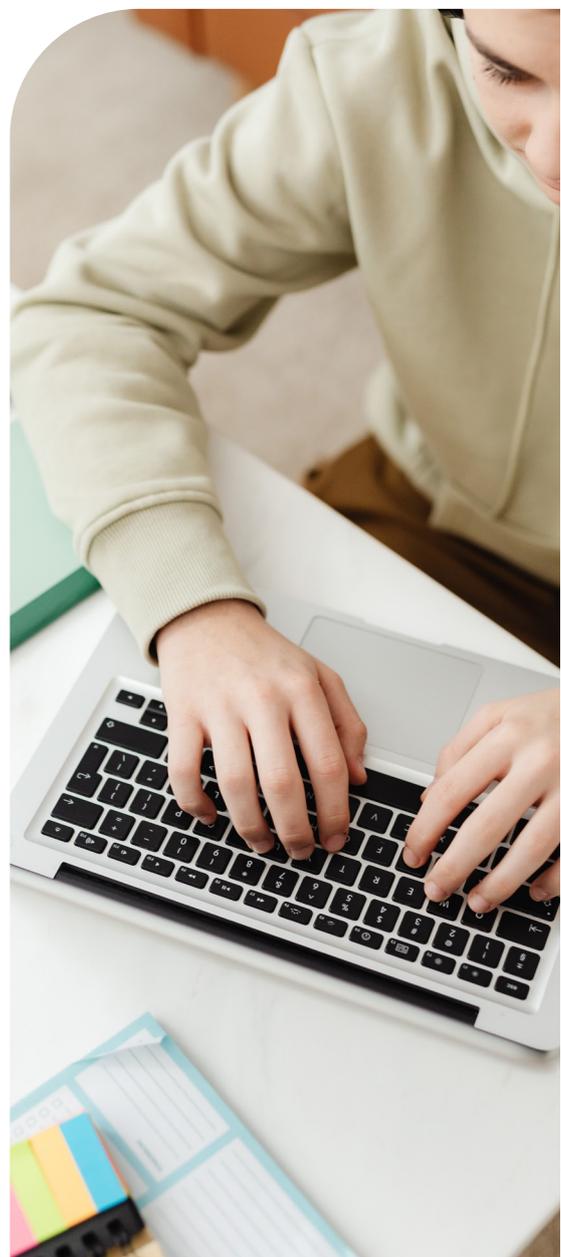
For this purpose, the first step is to define initial segments and then keep improving and enriching them with the data collected and the hypothesis risen from them. Scoring metrics, for instance, can help us in building up these theories, ponderate the likeliness of users to carry out a determined action. Depending on the user score, we can activate or not certain strategies.

### 8. CRO: Am I able to convert all that I could?

CRO (Conversion Rate Optimization) are the set of techniques aiming at increasing the number of visits in a webpage that turn into registers or clients. To be able to apply these techniques efficiently, the first thing marketing teams must do is define thoroughly which is their customers' journey and which is their conversion funnel to the point where the company attempts to enlarge the number of leads, registers, sales, etc. CRO allows us to identify the points within our digital assets that we need to improve.

In addition, to be able to execute the CRO, we must first be clear on our conversion funnel and identify what are the metrics that aid in knowing each phase. It is recommended, as well, to represent this task visually, to ease the process of recognizing improvement areas. In this step, there are some techniques that allow to monetize our clients, knowing the exact value that they have in each phase. Then, we must define the experiments: where we are missing clients, we will look for boosting options and will implement them as test A/B.

The hypothesis created upon this methodology must be tested until collected enough data. If our experiments do not validate any of our hypothesis, we must carry out others more aggressive. However, it is vital to ensure that when launching an experiment, the results of other are not being affected whatsoever.



### 9. CDP: How can I govern all the previous?

From the most general to the most specific, the latter actions describe several of the manners marketing teams, along with other areas in the company, can extract data from their channels and transform them into returns. Nevertheless, in a context in which data from different sources, its segmentation and the personalization of our outgoing communication become gradually more and more complex, it is necessary to start implementing tools that allow us to govern all this data.

In the words of Gartner, a Customer Data Platform (CDP) "is a marketing system that unifies a company's customer data from marketing and other channels to enable customer modeling and optimize the timing and targeting of messages and offers." In other words, a CDP unifies in one database all the information about clients, regardless of the source where they come from. It cleans and refines the data to obtain precise and complete profiles of consumers throughout first party data. Once the profiles are created according to the chosen criteria, these can guide optimized marketing campaigns.

### 10. MadTech: Finally, how do I guarantee that we all push in the same direction?

Although not dependent on all the latter, MadTech is the definition of centralizing for de-centralizing. It enhances the agility of processes, the rapid innovation across marketing strategies, synergies and integration for better scalability and unification, and ensures we give service to the maximum number of teams in the company. It also

maximizes efficiency in processes and efficacy in face of clients. MadTech also envisions a reference architecture, with a single vision of all the adequate tools to cover all MarTech needs of each company.

In order to formulate this common MadTech framework, companies must first identify the needs and functionalities of all technical and business teams. Then, they should conduct the AS-Is diagnosis, where they analyze the map of current tools, teams, methodologies and processes. Then they must define the TO-BE, the aforementioned reference architecture: one same work model, methodology and business need. Finally, it is important to evaluate current license costs in order to spot which ones are optimal and evaluate alternatives, returns and project costs.



# Conclusion

Undoubtedly, the presented outlook demonstrates that insurance is becoming a fast-moving sector, in constant evolution and with ceaseless tests. From global conditions to specific market changes, companies within the industry must rise to the challenge and start thinking on the steps to be taken to survive to these demanding circumstances and get ahead of the ecosystem.

The relationship between insurers and consumers is evolving daily. What used to be a simple transaction now requires becoming an interaction, with custom-made messages but also experiences. This shift rises an important need for CMOs to propose, but mainly, implement an intelligent marketing strategy with a much more digital drive, boosting automatization and hyper-personalization.

Furthermore, this is no longer just a duty from one single person or team. Centralizing all the decision-making might become a trigger for companies, which must enhance cross actions and common objectives. The CEO is bygone the only person in charge of establishing the organization's top priorities and building the strategy around them. Now, other C-Level executives are parallel in the hierarchy and assume transformation responsibilities never assigned to them before.

Such is the case of the Chief Marketing Officers, often used to be in charge of simple communicating efforts as the storytelling or

the ad campaigns. Although yet within their duties, the CMOs now go way beyond and reach a hero role within the overall company's strategy, becoming real transformation leaders. Along with other IT and business executives, marketers join efforts in their roadmap to orchestrating the Insurance Liquid Ecosystems.

Their collective work and shared objectives must move towards this new scenario, adapting to a growingly demanding consumer base and a very competitive market where other players such as Tech Giants, regulators and startups, among others, intervene and mark the pace within the actions carried out.

Our team of Marketing and Technology experts, in addition to our Executives' experience on market and industry worldwide trends, have determined a selection of six main challenges within our [2022 Insurance Vision](#) that CMOs and other transformation leaders must pay special attention to in the very short term to connect with the ecosystem. These six challenges, with their specific what to dos, will usher CMOs on the top subjects of matter in the industry and guide them on the way towards cost reduction, time-to-market optimization and operational efficiency.

Now insurers have at their disposal a list of six main strategic axes to put strong focus on: Align your CX with the Ecosystem, Go Smart Distribution, Focus on Efficiency and

Simplification, Become an Insurance as a Service Company, Be an AI-Driven organization and Consider Talent and Culture Challenges. Likewise, this framework highlights where investments must be attained in the near future, and where core operations need to be re-evaluated for complying with technological advances and customer exigencies.

From NTT DATA, our global expertise in the Insurance business allows us to build a founded strategic vision and to display specific actions for insurers to be able to lead this digital transformation. Our role as a multisectoral expert will provide companies within the industry with frameworks, tools and solutions to enhance their leadership in the market and go beyond the insurance scope.



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