

News

adesso report: insurers have huge catch-up potential in predictive marketing

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Today, insurers are still hardly using the benefits of predictive marketing – even though they already have the required data. As a result, they are not only squandering sales opportunities, but also the chance to alleviate the organisational burden. This is the conclusion of a recent report conducted by the insurance forums in Leipzig commissioned by IT provider adesso.

Ongoing digitalisation poses huge challenges to insurance companies, but also offers numerous opportunities. In this context, the recent report “Geschäftsmodelle 4.0 – was die Assekuranz von anderen Branchen lernen kann” (Study Business Models 4.0 – What insurers can learn from other industries) identified new opportunities which will allow insurance companies to position themselves sustainably on the market. The authors of the report analyse cross-sector developments and apply them to the insurance industry.

One of the report’s key findings: insurers do not conduct their marketing activities according to specific target groups, but mostly on a random basis. This fails to fulfil the wishes of customers, who want to be addressed by insurance companies on an individual basis and receive offers which are exactly suited to their personal preferences and specific situation – like Amazon’s “Next Best Offer”.

The good news is that many insurance companies already have the big data required for predictive marketing. As customers connect with them via numerous online and offline channels, they leave behind enough information to be able to establish their individual needs. However, insurers rarely have the required data quality and expertise to evaluate this information in a targeted manner. Unconnected data silos prevent a holistic analysis of all the information available.

This is why insurers face the challenge of connecting and evaluating data to identify the customers’ behavioural patterns. This will provide them with a profile-based and emotional marketing technique plus individualised product placement. Customers can be addressed via the channel which best suits their habits and is subsequently more likely to be successful – be it a personal discussion, communication via an app or through social media. The reaction

of customers to the form of contact can be used for validating and further refining predictive marketing.

This inevitably increases sales potential, as customers only receive offers which are relevant to them and are less likely to perceive the ads as unsuitable or annoying. The benefits of predictive marketing for insurers are even broader. The impact of the advertising media can be measured and controlled in detail, thereby avoiding wastage due to unspecific marketing campaigns. The sales representatives can then follow up with real consultations from a stronger starting point and are spared organisational or futile discussions.

“Precise knowledge of the customers’ wishes and the form of contact derived from this will also define the competitive environment of the insurance market in future,” explains Burkhard Herold, Area Manager for Insurance at adesso AG. “In order to master this challenge, insurers urgently need to start processing their extensive existing data more specifically. If they use the various marketing channels on this basis, they can reach their customers in real time wherever they are.”

The full report “Geschäftsmodelle 4.0 – Was die Assekuranz von anderen Branchen lernen kann” can be downloaded from adesso at https://www.adesso.de/de/branchen/versicherungen/studie/studie_1.jsp (registration required).

approx. 3,450 Letters

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adesso was founded in 1997 in Dortmund and currently employs about 4,200 members of staff. The share is listed on the regulated market. Among the most important customers in the banking segment are Commerzbank, KfW, DZ Bank, Helaba, Union Investment, BayernLB and DekaBank, in the insurance segment Munich Re, Hannover Re, DEVK, DAK, Zurich Versicherung, Medizinischer Dienst der Krankenversicherung (MDK-IT) as well as cross-industry Daimler, Bosch, Westdeutsche Lotterie, Swisslos, DZR Deutsches Zahnärztliches Rechenzentrum, TÜV Rheinland, Beschaffungsamt des Bundesministeriums des Innern.