



RESEARCH

Trends in Insurance Omni Channel Marketing

- Aim to optimize customer contact based on consumer awareness and behavior

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1. Omni Channel Marketing for Life Insurance
2. Contact points between consumers and “Insurance”
3. Contact points between consumer segment and “Insurance”
4. Communicate with Omni Channel Marketing
5. Questions and Answers

1. Omni Channel Marketing for Life Insurance

■ What is Omni Channel Marketing?

- To integrate all channels related to sales and distribution and ensure customers access from all channels through organic cooperation.
- Provide multiple capabilities to each channel for all customers
- Each Customers at different life cycles can access channels (contact points) without stress
- Expect improving Brand loyalty and strengthen Brand power through increasing customer experience value

1. Omni Channel Marketing for Life Insurance

■ "Customer Life Cycle" in Life Insurance

- Generally, long-term contract.
- Depending on the lifestage, occupation, income, etc.
- Customer's journey varies depending on differences in consumer awareness, such as their insurance literacy.

■ Omni Channel Marketing for Life Insurance

- Necessary to examine through "Customer Life Cycle" not only from daily life but also to each buying insurance process such as participation examination, contract procedures, various procedures after joining, and benefit claim (maturity).
- Segmentation should be considered both demographic, psychographic attribution and differences of their insurance coverage.

= Well considerations are required than general goods and services.

1. Omni Channel Marketing for Life Insurance

- To provide Omni Channel Marketing in Life Insurance
 - Data accumulated within existing business processes
 - Customer Attributes [Gender, date of birth, occupation, marriage, children(presence / number), etc.]
 - Contact History (Sales staff, call center response records, etc.)
 - In order to get the results of Omni Channel Marketing, need to leverage these data connecting seamlessly.
 - What data are needed to optimize Omni-Channel Marketing?
 - Contact history at various stages of the customer's journey.
 - ◆ When, for what purpose, to which contact points
 - Customer feedback at individual contact points
 - ◆ How was the way to communicate?
 - ◆ How much did you understand information from the seller?

6 2. Contact points between consumers and “Insurance”

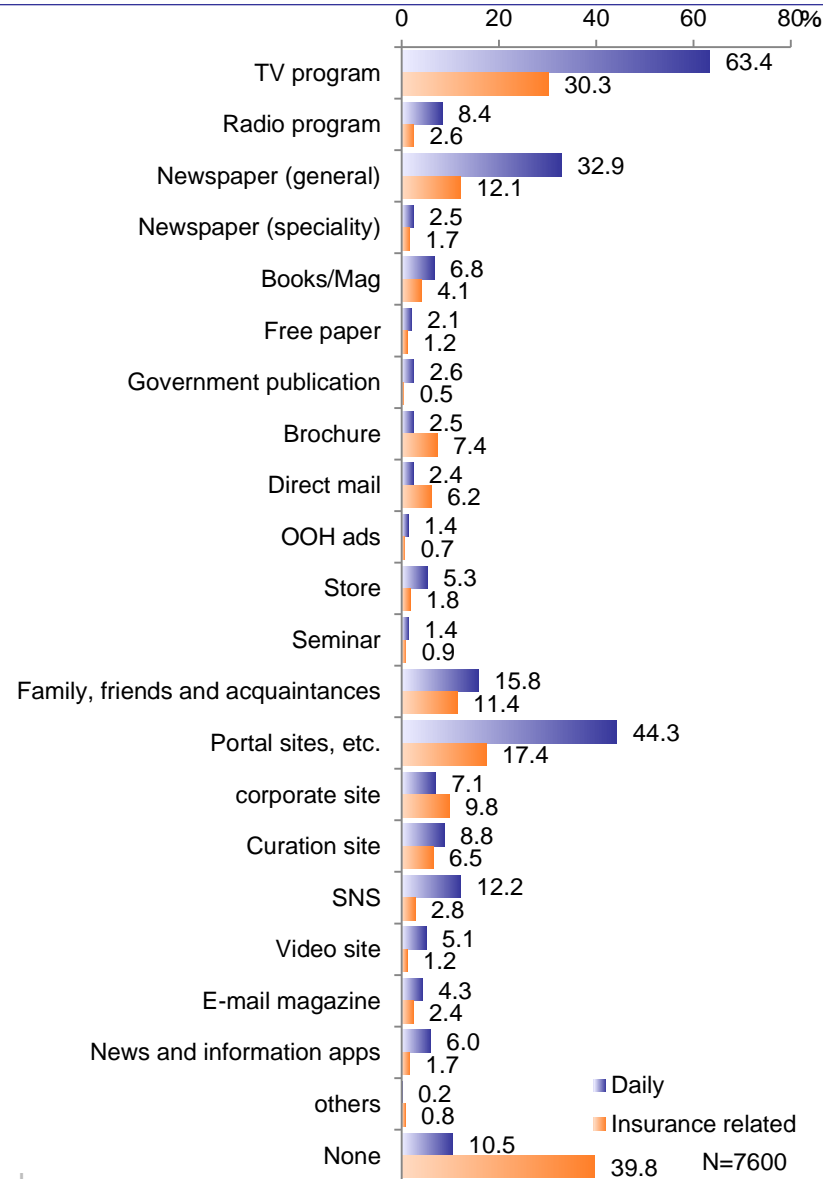
1. Contact points between Demographic Attribution and “Insurance”
2. Contact points between Product variations and “Insurance”
3. Contact points between customer’s Motivations for considering insurance and “Insurance”

1. Contact points between Demographic Attribution and “Insurance”



- Information sources in daily life
 - “TV program”, “Portal sites, etc.”, “Newspaper (general)” are Three major source of information.

- Insurance-Related information sources in daily life
 - “TV program”, “Portal sites, etc.”, “Newspaper (general)” are Three major source of insurance-related information.
 - “None” is also high at 40%.

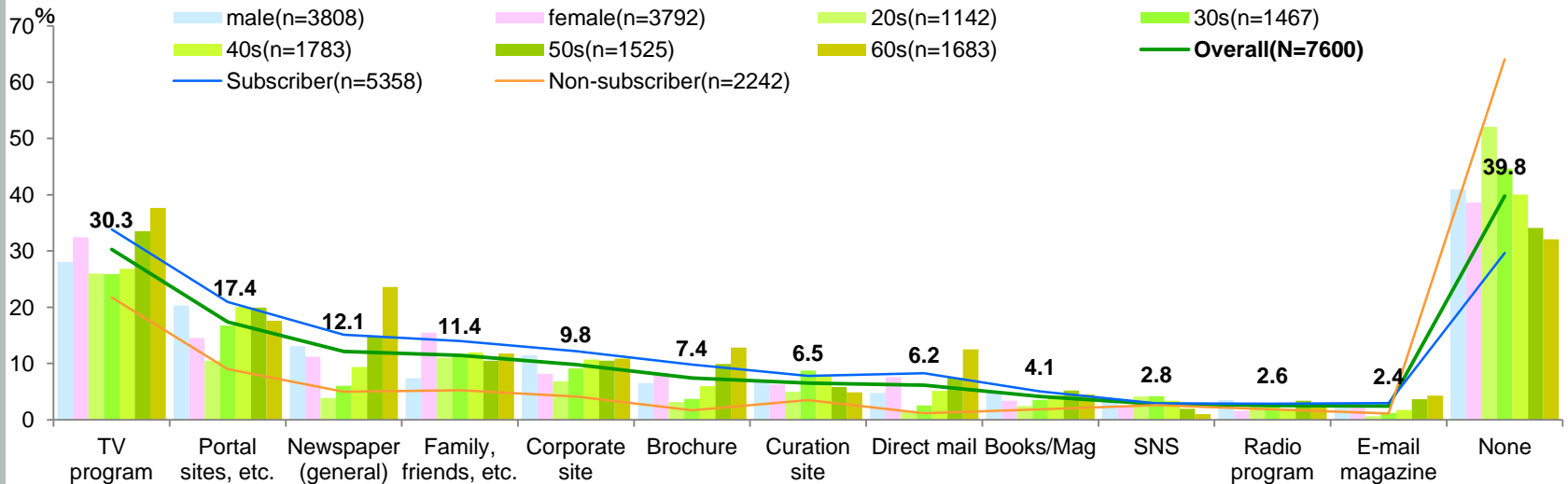


1. Contact points between Demographic Attribution and "Insurance"



■ Contact points with "Insurance" in daily life

- In most categories, subscribers far outnumbered non-subscribers. Most remarkable thing is more than 60% non-subscribers answered "None".
- "Family, friends, etc." and "TV program" are female, "Portal sites, etc." and "corporate site" are high in male.
- For elder "Newspaper (general)" is higher. Majority of 20s does not have any contact with "Insurance". "SNS" in 30-40s, "Portal sites, etc." in 50s, and over the age of 40-50s. Although "TV program" and "Newspaper (general)" are high, "Nothing special." is the most common among people in 50s and younger.

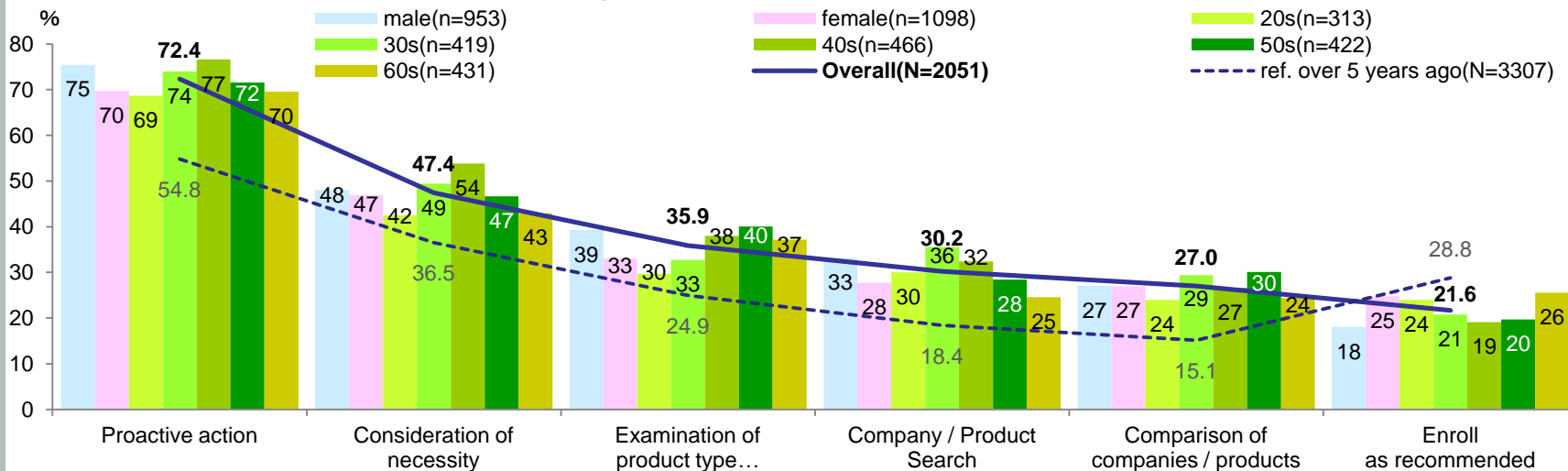


1. Contact points between Demographic Attribution and “Insurance”



■ Active behavior for considering participation (Within 5 years)

- More than 70% of subscribers have taken some form of proactive action. (18%pt increase from over 5 years ago.)
- The most common concrete actions are “Consideration of necessity”, “Examination of product type and premium”, By “Company/Product Search”
- There are more active participants in male than in female, The difference is particularly large in “Examination of product type and premium” and “Company/Product Search”
- By age group, “Consideration of necessity” was higher in the 40s than “Examination of product type and premium” in the 50s

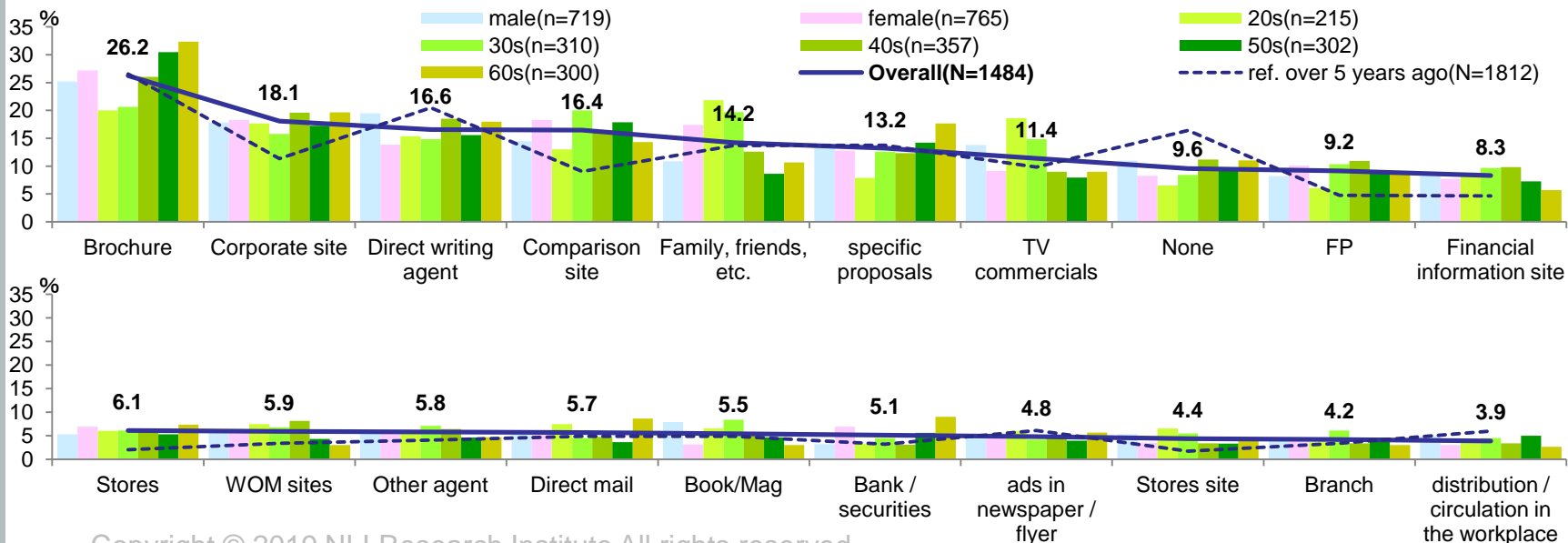


1. Contact points between Demographic Attribution and “Insurance”



■ Contact point when considering subscription “Insurance” (Top 20 Answers within 5 Years)

- “Brochures”, “Corporate sites”, and “Direct writing agents” are the most frequent.
- “Corporate site” “Comparison site” increased by 5%pt or more from 5 years ago, and 4%pt decrease in “Direct writing agent”.
- “Direct writing agent” “TV commercials” for male and “Comparison site” “Family, friends, etc.” “Bank / securities” are high for female.
- The younger the age group, the higher the “family, friends, etc.” “TV commercials”, and the older the age group, the higher the “Brochure”.

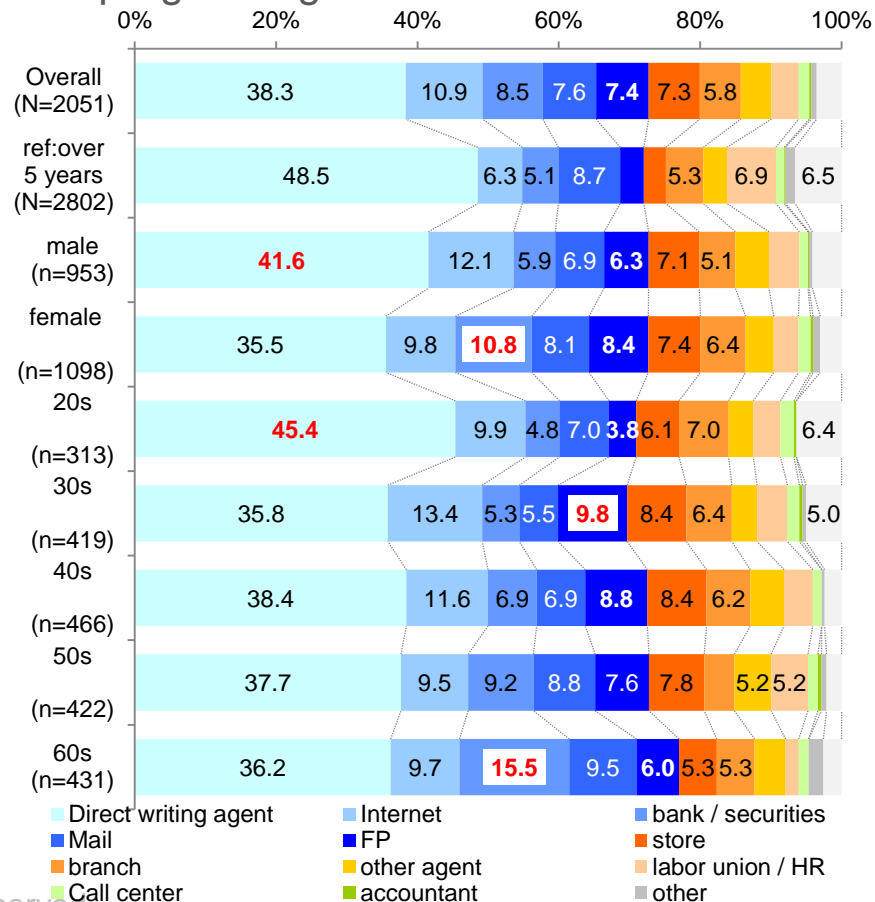


1. Contact points between Demographic Attribution and “Insurance”



■ Subscriber Channel (Within 5 years)

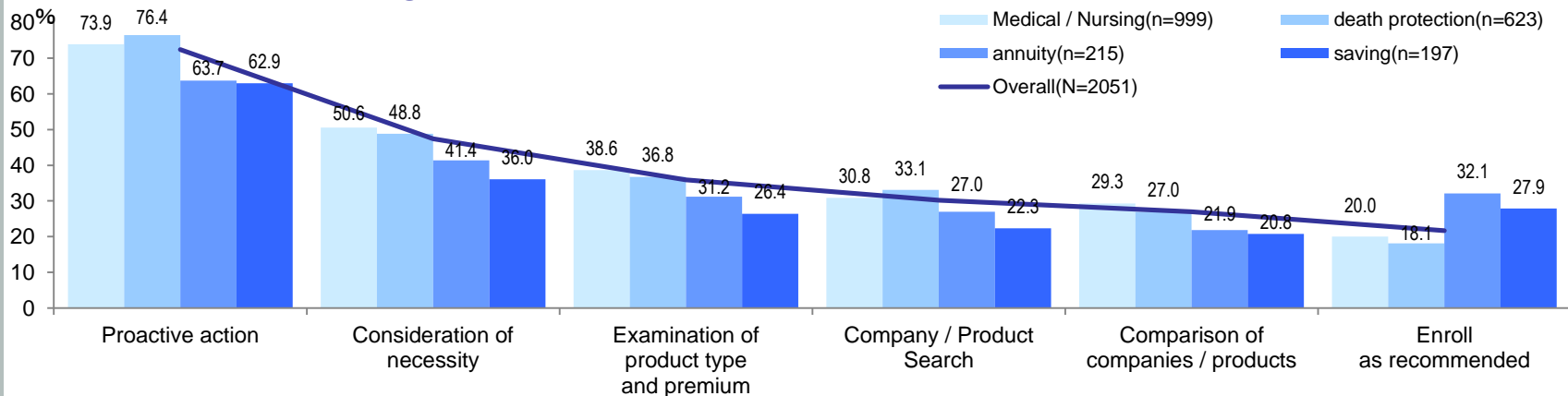
- Overall, in order of “Direct writing agent”, “Internet”, and “Bank / securities”
The market share of “Direct writing agent” has declined by 10% points from 5 years ago, and channel diversification is progressing.
- “Bank / securities” is high for male and “Direct writing agent” for female.
- “Direct writing agent” in 20s, “FP” in 30s, and “Bank / securities” in 60s.
- Due to “Bank / securities” is high in the elder female, total percentage of its in female are raised.
- “FP” is popular among the family-forming period (especially 30s).



2. Contact points between Product variations and “Insurance”



- Active behavior for considering participation (Within 5 years)
 - “medical / nursing” & “death protection” over 70% take some action independently.
 - In medical / nursing, “Consideration of necessity” “Examination of product type and premium” and “Comparison of companies / products” is high, and “Enroll as recommended” is high in annuities and savings
- Due to only product characteristics but also consumer heterogeneity, such as motivation for enrollment and their insurance literacy, customers’ specific behavior and their degree of independence for considering application differ.

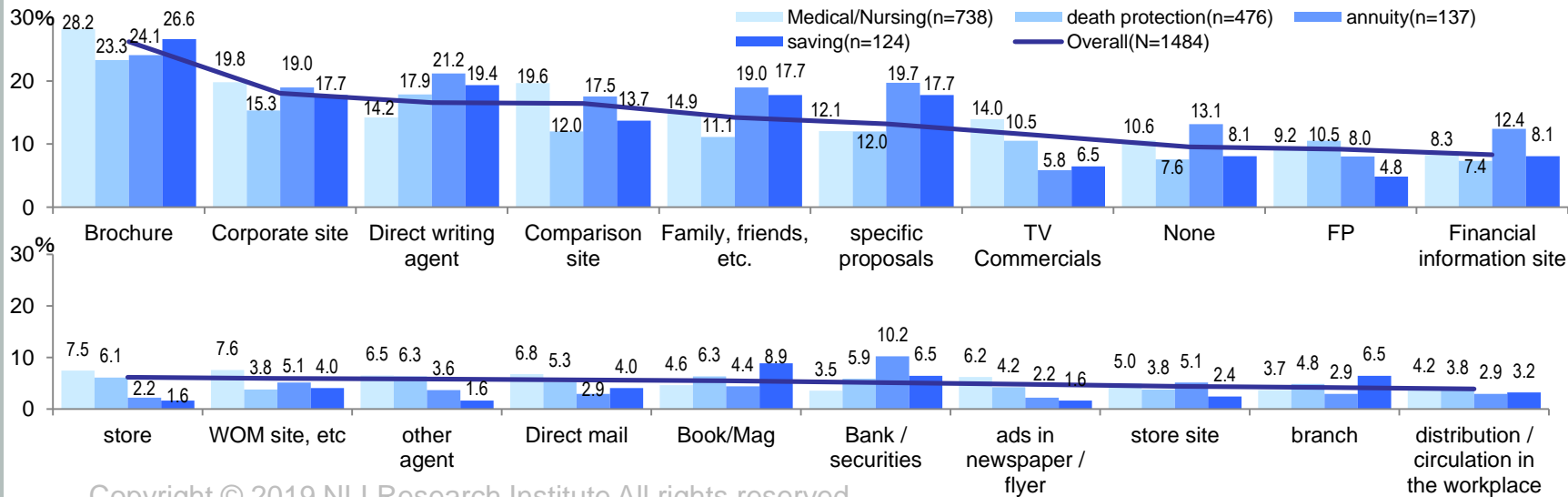


2. Contact points between Product variations and “Insurance”



■ Contact points with considering subscription “Insurance” (Within 5 years)

- “Brochure” is the highest regardless of types of products.
- In medical / nursing, “Corporate site” and “Comparison site” are in the higher ranked, and in death protection, “Direct writing agent” and “Corporate site” are in the higher ranked.
- “Comparison site” and “TV commercials” are high in medical / nursing, while “specific proposals” is high in annuities.
- Products that are easy to recognize needs such as medical / nursing, customers tend to use many information sources to compare products details and companies.

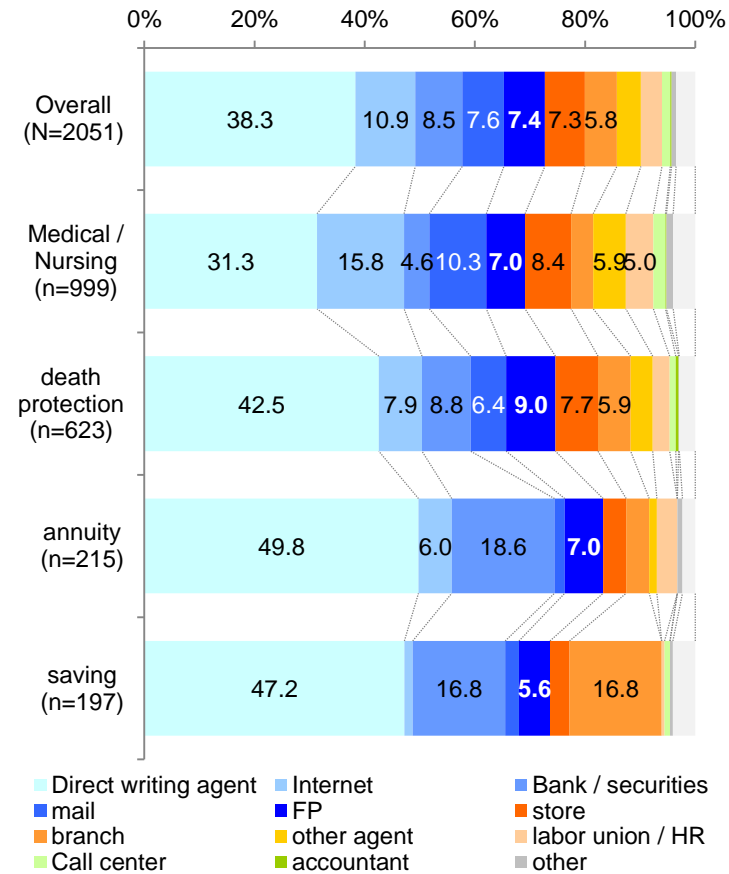


2. Contact points between Product variations and “Insurance”



■ Subscriber Channel (Within 5 years)

- “Internet”, “mail”, “Other Distributors” and “General affairs and labor unions in the workplace” are high in medical / nursing, and “Direct writing agent” are high in death protection, individual annuity, and savings
- In pensions and savings, “Bank / securities” is high and “branch” is also high for savings, exceeding 10%
- Products that are easy to recognize needs such as medical / nursing, direct sales, which do not require an explanation from the seller, are also established as a major channel.
- Annuities and saving has a high share of “Banks / securities” due to aggressive sales.

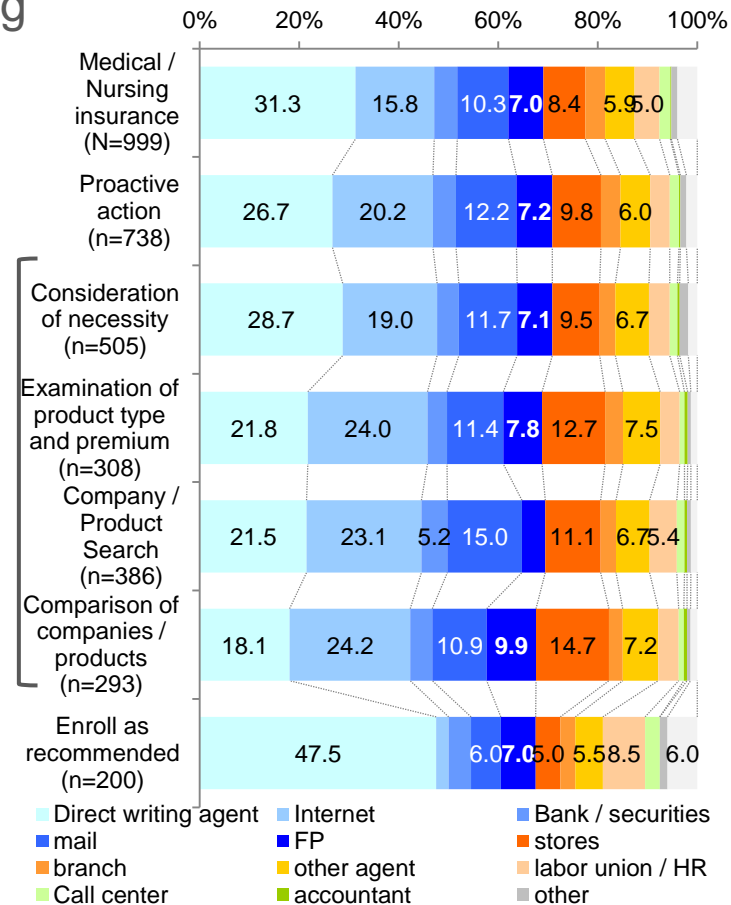


2. Contact points between Product variations and “Insurance”



■ Customer behavior on the medical / nursing and its channels (Within 5 years)

- “Internet”, “mail” and “stores” are high among those who took some kind of independent action when joining
- “Internet” is high regardless of the type of action, and “stores” is high, except for the consideration of the necessity of joining
- the “Direct writing agent” is prominently high in the adherent layer
- Independent customer tend to direct channels such as the Internet, or face-to-face channels that handle multiple companies’ products.

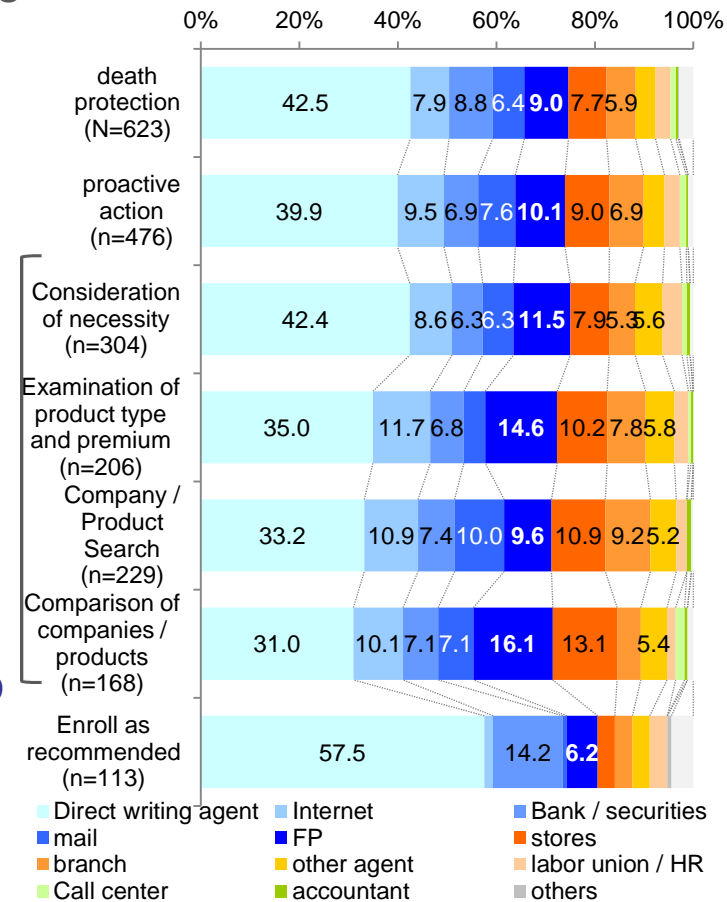


2. Contact points between Product variations and “Insurance”



■ Customer behavior of the death protection and its channels (Within 5 years)

- “Internet”, “mail” and “stores” are high among those who took some kind of independent action when joining.
 - “Internet” is high in type and premium, company / product search, while “FP” is high in consideration of necessity, type / premium, and “stores” is high in company / product search, company / product comparison.
 - In the layer which enroll as recommended, “Direct writing agent” is remarkably high by more than half, and “Bank / securities” is also high by more than 10%.
- Reviewers with specific actions tend to use face-to-face channels that handle multiple companies' products

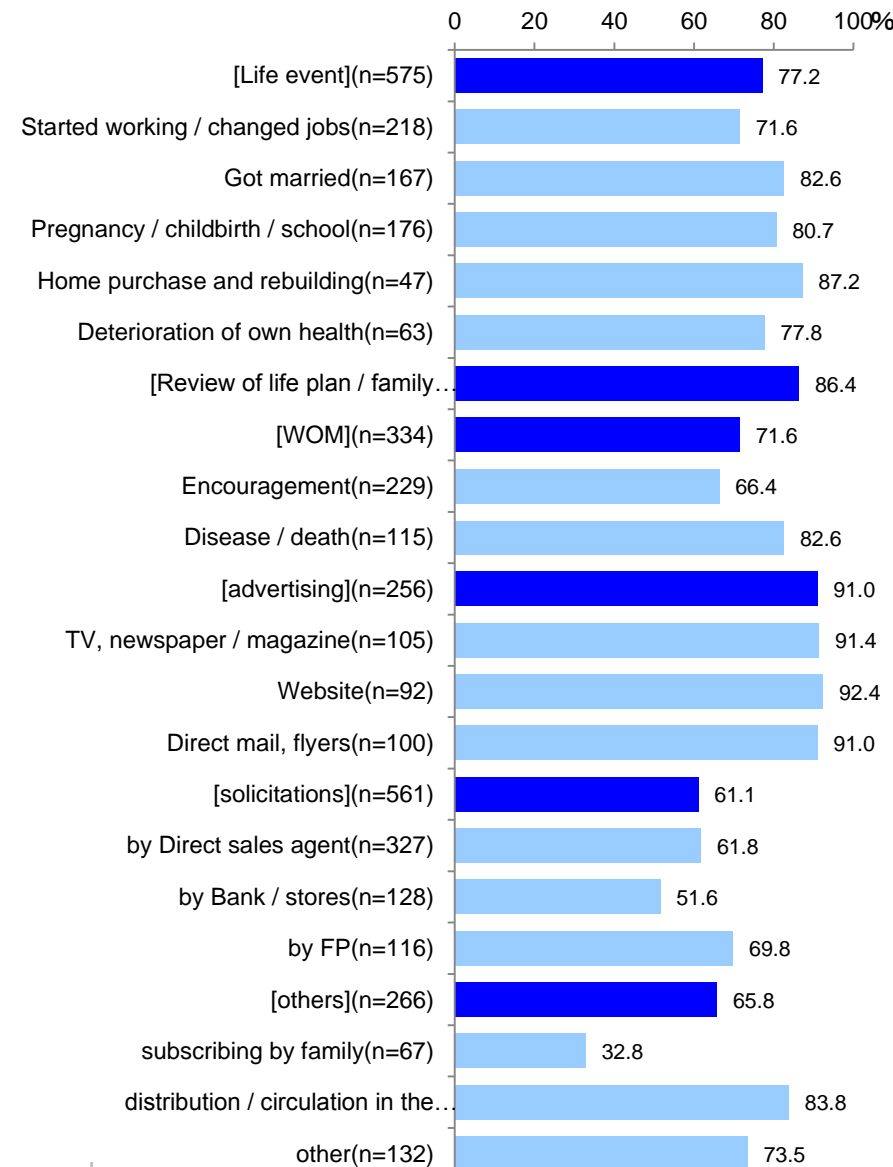


3. Contact points between customer's Motivations for considering insurance and "Insurance"



■ Opportunities and Actions for considering insurance (Within 5 years)

- Percentage of those who took some independent action to considering.
 - "Advertising", "life event" and "Review of life plan / family finances" are the highest, "solicitations" remaining at 60%.
 - "Advertising" is high regardless of the medium, Marriage, Childbirth, and Housing purchases, are high in "Life events". Hospitalization and death of family members and friends are high in "WOM".
 - Since the necessity of purchase increases in own life event, it encourages the independent examination action.

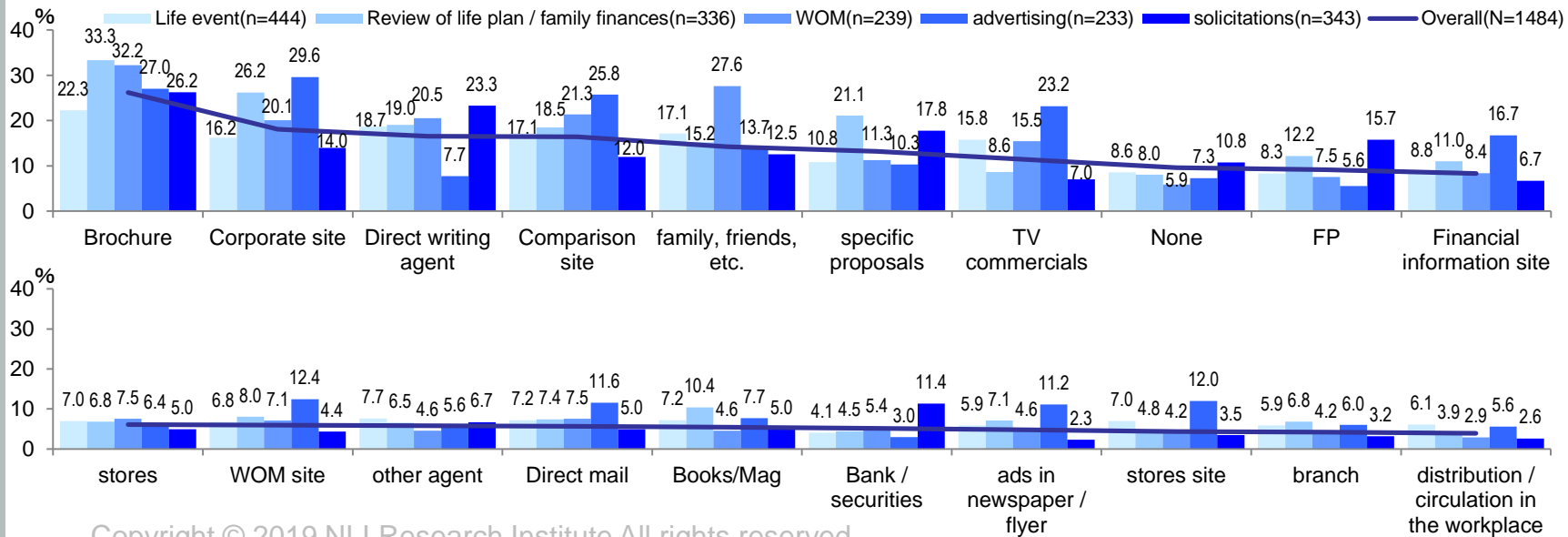


3. Contact points between customer's Motivations for considering insurance and "Insurance"



■ Sources of information and opportunities for application (Within 5 years)

- Except "Advertising", "Brochure" is the highest among opportunities. In "Advertising" "Corporate site" is the highest followed by "Brochure".
- "Brochure", "corporate site" and "Specific proposals" in the "Review of life planning and household finances".
- "Brochure", "Comparison site" and "Family, friends, etc." in WOM, "Corporate site", "Comparison site", and "TV commercials" in advertising, and "Direct writing agent" in solicitations are higher than 20%

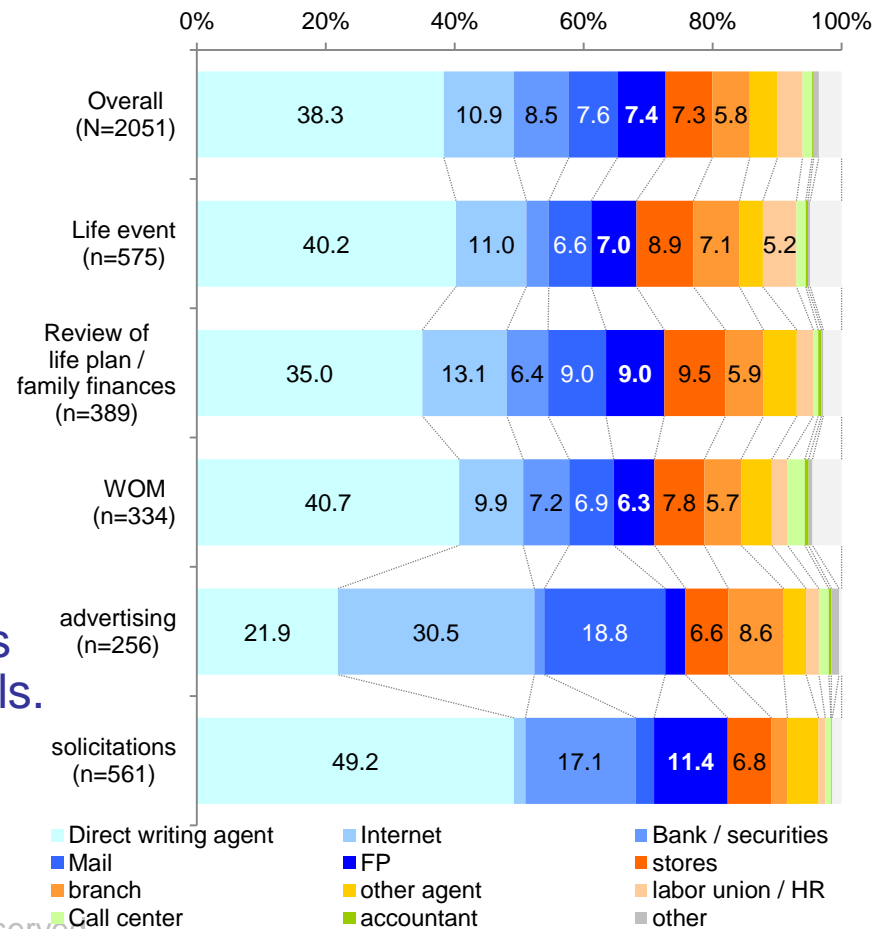


3. Contact points between customer's Motivations for considering insurance and "Insurance"



■ Subscription Channel (Within 5 years)

- On the whole, "Direct writing agent" holds a majority. Especially in Solicitations, "Direct writing agent" holds approximately half of the total.
- In advertising, "Internet" was the highest with 30%, and "mail" was also high.
- "FP" and "bank / securities" are also high in solicitations, and "General affairs and labor unions in the workplace" is high in Life event.
- Action of considering triggered by advertising tend to lead direct channels, Action triggered by other factors establish a face-to-face channels.



3. Contact point between consumer segment and “Insurance”

1. Consumer segment

2. Contact points between consumer segment and “Insurance”

1. Consumer segment



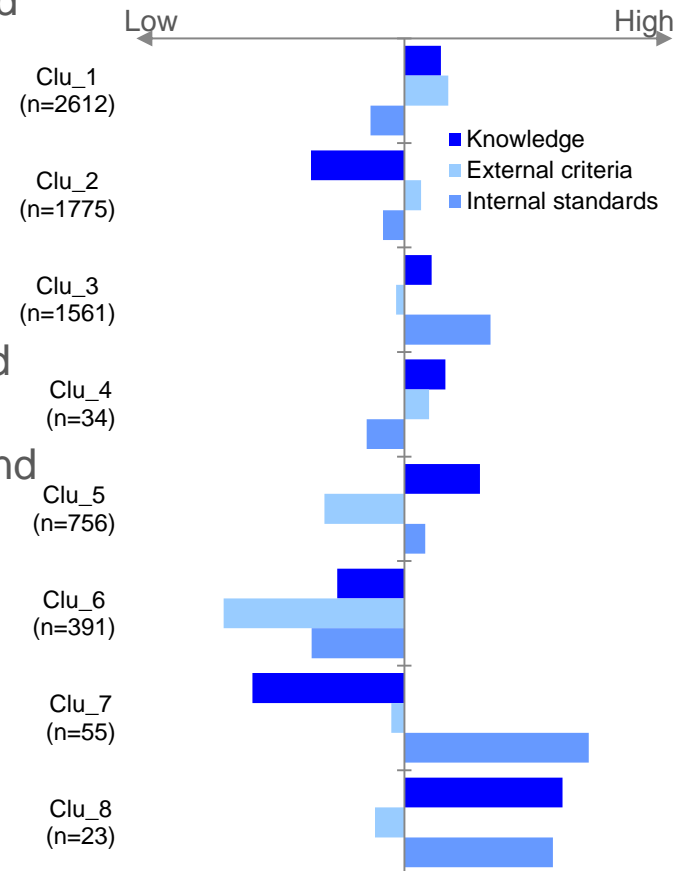
- Three factors were extracted through factor analysis from items related to knowledge of life insurance and awareness of product and company selection. (Appendix 2)
 - Knowledge (of life insurance): deeply related to knowledge-related variables such as “Payment requirements” and “Start of the insurance”
 - External criteria: Product selection based on external criteria (such as popularity or recommendations from sellers or experts), such as “join a popular insurance company” or “Subscribe to recommended plans and products from reliable diplomats and experts”
 - Internal standards: Have own standards for coverage and premiums.

1. Consumer segment



■ Classify eight consumer segments through latent class analysis using three factors: knowledge, product, and company selection criteria

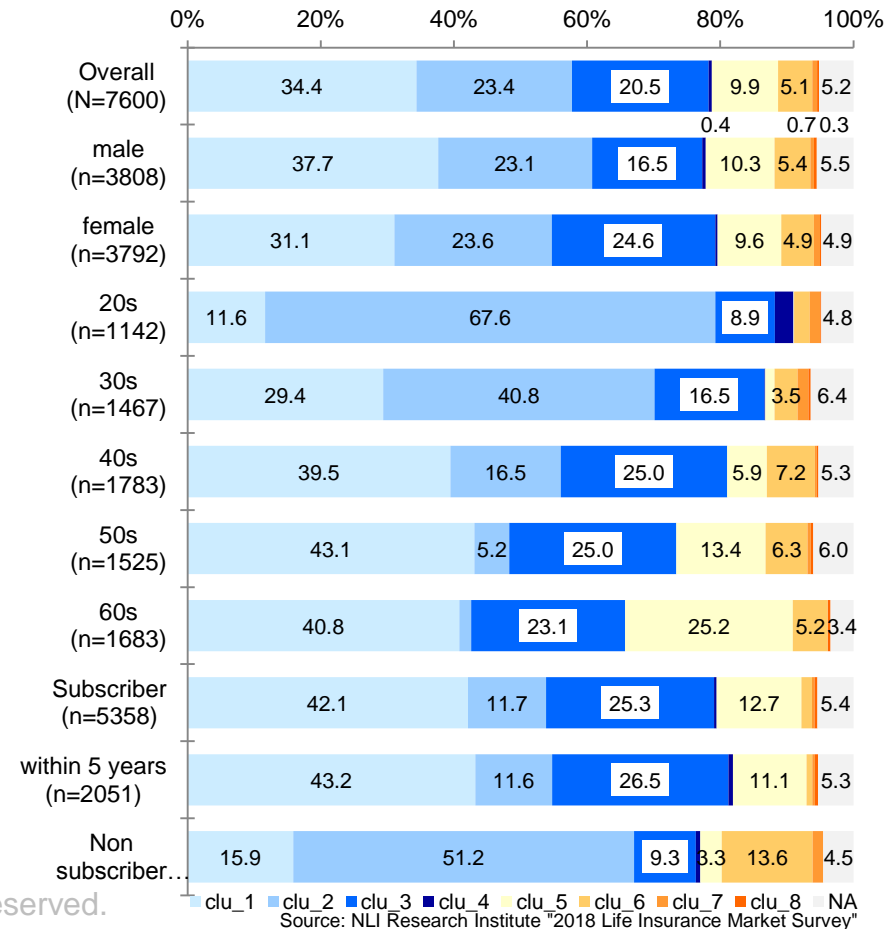
- Clu_1: Slightly above average knowledge and select product based on the external criteria
- Clu_2: Second only to Clu_7 in knowledge and select product based on the external criteria
- Clu_3: mainly select product based on the internal criteria
- Clu_4: slightly above average knowledge and product select based on the external criteria
- Clu_5: Second only to Clu_8 in knowledge and select product based on the internal criteria
- Clu_6: low knowledge, and low criteria
- Clu_7: in spite of the lowest knowledge, internal criteria is the highest among all
- Clu_8: the most knowledge and the highest internal criteria



1. Consumer segment



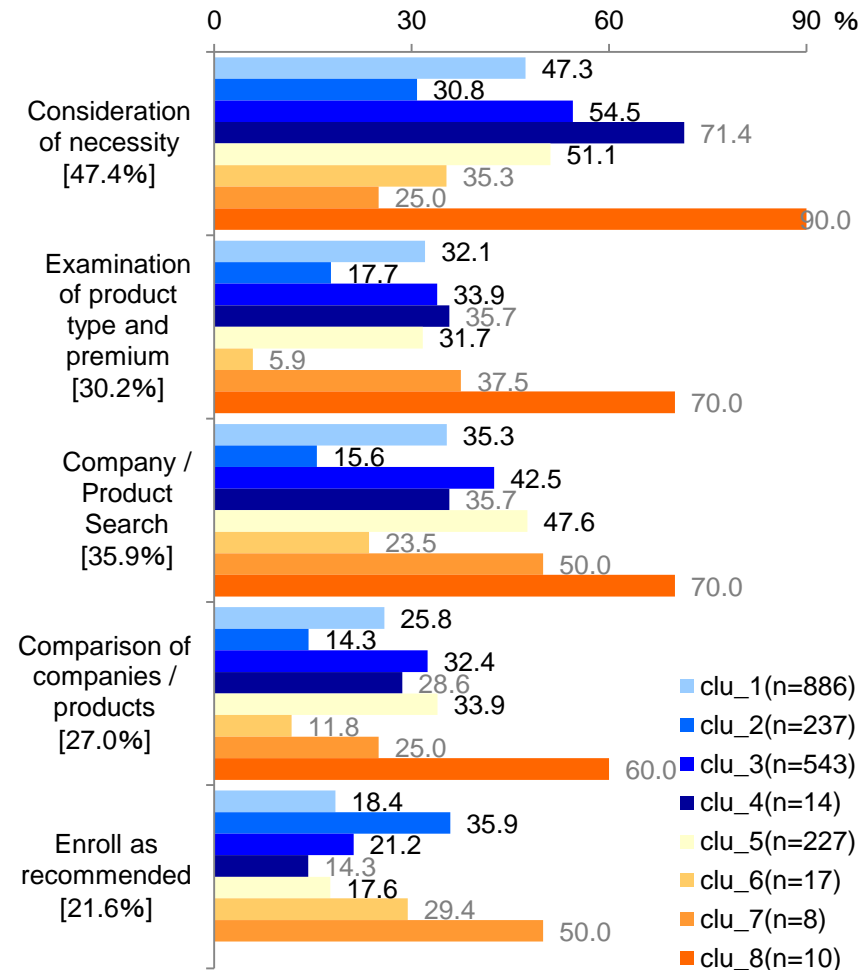
- Overall, Clu_1 is most, followed by Clu_2 and Clu_3 over 20%. Clu_4, Clu_7, and Clu_8 are less than 1%
- Clu_1 higher in male and Clu_3 higher in female
- Clu_2 is most in under 30s and Clu_1 is most in over 40s. Clu_2 is higher in younger age groups and Clu_5 is higher in older age groups.
- In subscribers, Clu_1, and in non-subscribers, Clu_2 is most.
- Clu_3 is high in subscribers and Clu_6 is high in non-subscribers.
- Within 5 years, Clu_5 and Clu_6 are slightly lower and Clu_4 is higher than Subscriber.



2. Contact point between consumer segment and “Insurance”



- Active behavior for considering subscription (Within 5 years)
 - All action independently are high in Clu_3 and “Company / Product Search” “Comparison of companies and products” are high in Clu_5.
 - “Enroll as recommended” is high in Clu_2.

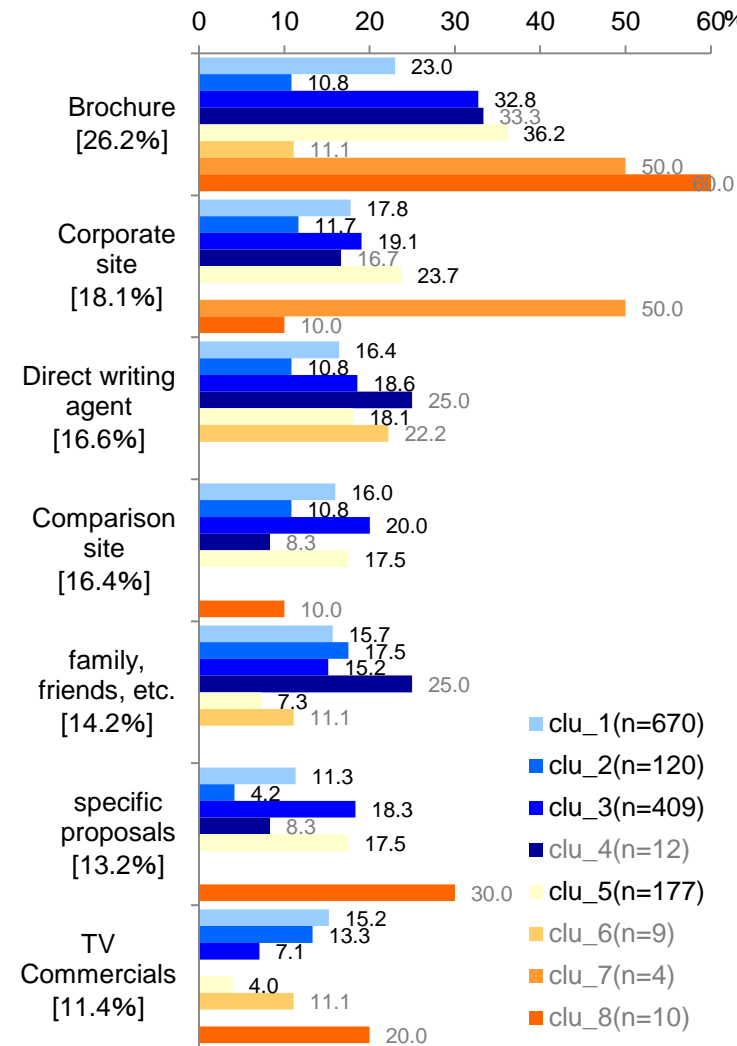


2. Contact point between consumer segment and “Insurance”



■ Contact points with considering subscription (Within 5 years)

- “Brochure” is high in Clu_3 and Clu_5. “Comparison site” “specific proposals” “WOM site” are high in Clu_3 and also “Corporate site” “Bank / securities” is high in Clu_5.
- “TV commercials” “branch” “Distribution and circulation in the workplace” “Advertisements in newspapers and magazines” are relatively high in Clu_1, and “None” is relatively high in Clu_2.

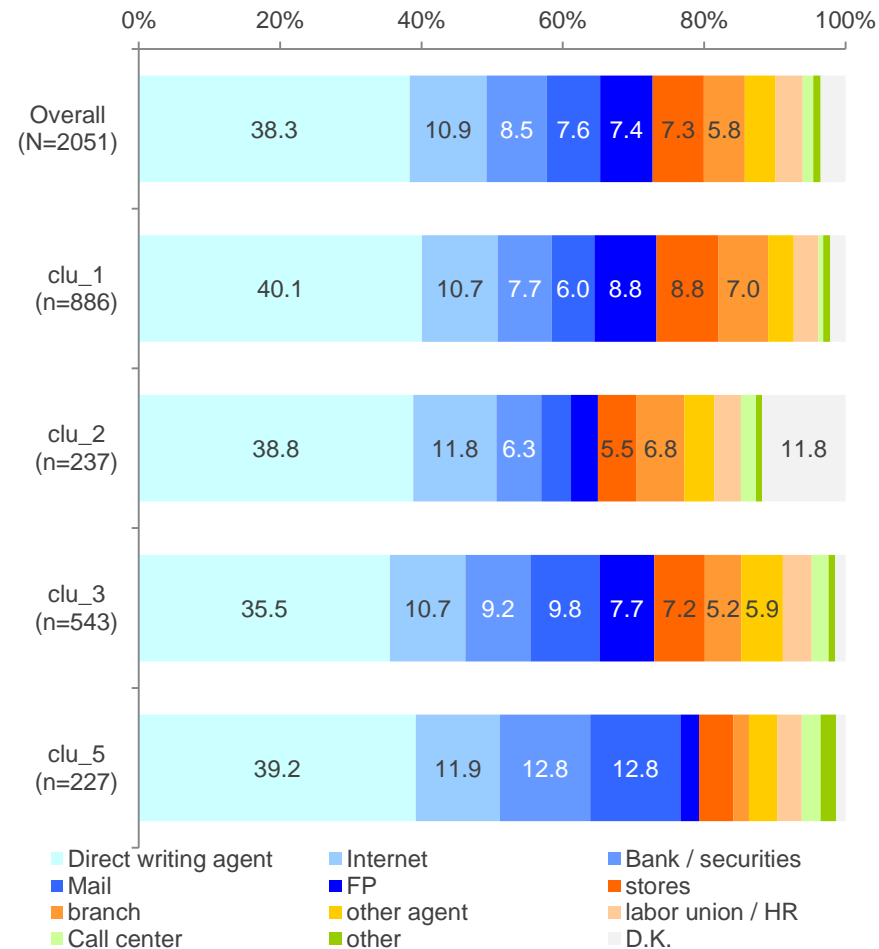


2. Contact point between consumer segment and “Insurance”



■ Segments and subscription channels (Within 5 years)

- “FP” “stores” “branch” are high in Clu_1.
- “Mail” “Other Distributors” “Call Center” are high in Clu_3, and “Bank / securities” “mail” are high in Clu_5.



4. Communicate with Omni Channel Marketing

1. Action of Considering Process: From Major Segments P.O.V
2. Omni-Channel Designed for Consumer Segments
3. Insurance Companies Initiatives

1. Action of Considering Process: From Major Segments P. O. V

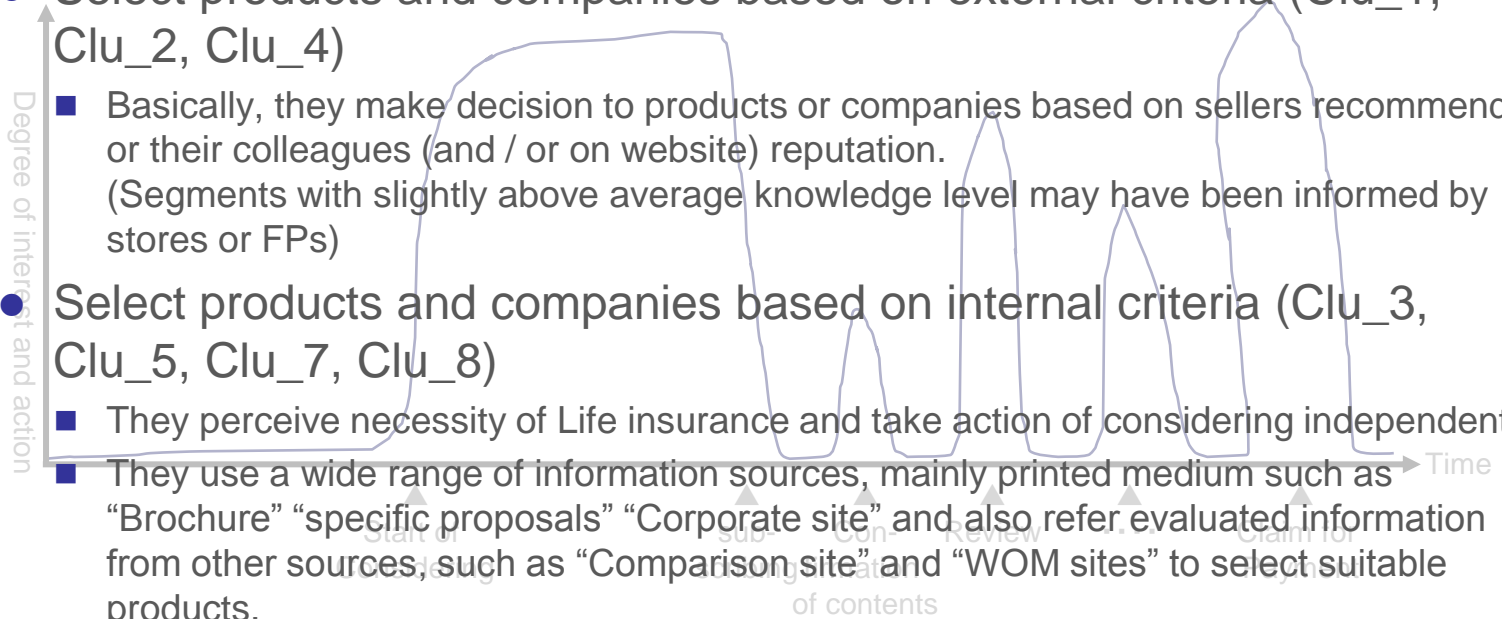


■ Interest and behavior in "Life insurance"

- On average, people mind Life insurance when they “Start of Considering” to “Subscribing”, and “Confirmation of contents”, “Review”, and “Claim for Payment”.
- Few people care Life insurance in daily life.

■ Typical Action of Considering process by each segments

- Select products and companies based on external criteria (Clu_1, Clu_2, Clu_4)
 - Basically, they make decision to products or companies based on sellers recommend, or their colleagues (and / or on website) reputation. (Segments with slightly above average knowledge level may have been informed by stores or FPs)
- Select products and companies based on internal criteria (Clu_3, Clu_5, Clu_7, Clu_8)
 - They perceive necessity of Life insurance and take action of considering independently.
 - They use a wide range of information sources, mainly printed medium such as “Brochure” “specific proposals” “Corporate site” and also refer evaluated information from other sources, such as “Comparison site” and “WOM sites” to select suitable products.



2. Omni-Channel Designed for Consumer Segments



■ Omni-Channel Designed for Consumer Segments

● Common Points

- In daily life, although there are differences attributions, contact points are limited to advertisements in mass media. (People's interest in Life insurance is low so that most advertisement (contents) doesn't resonate.)
- After some sort of life event, they began to considering life insurance, and their interest in Life insurance increase until sign up contract. After that, their interest will increase only when company contacted them or when they need to claim for payment.

● Segments that tend to rely on external criteria:

- Since these segments have no basic knowledge of Life insurance that forms their standards for judgement to select product. So that these segments tend to rely on sellers recommendation when they considering.
- It is important to encourage these segments to have some contacts points with various information sources and take an action of considering independently, through providing general life insurance information.

2. Omni-Channel Designed for Consumer Segments



■ Omni-Channel Designed for Consumer Segments

- Segments who tend to rely on internal criteria:
 - At the time of consideration of subscription, these segments independently seek Life insurance information from a wide range of sources, especially in printed media.
So that they have own standards for judgement to select products.
However, there is a possibility of unexpected result, due to their knowledge level is not enough to select appropriate product.
 - Insurance companies are required to emphasize the importance of considering insurance based on a wide range of information.
Also they are immediately required to support these segment's learning with providing information that will contribute to raise their level of knowledge.

3. Insurance Companies Initiatives



- Trends across the insurance industry
 - Diversification of sales channels (multichannelization)
 - Dedicated Direct writing agent, home-visit agents (exclusive use and riding), omnibus stores bank / securities, the Internet, call centers, etc.
 - Diversification of information provision (Promotions) channels and post-subscription procedure channels (after care channels)
 - Owned media such as corporate sites, SNS (Facebook, LINE, etc.), and smartphone apps
 - *They also have some contents (like essay or special information) on their own sites and / or own blog sites (Aflac, Lifenet-seimei, etc.).
 - Use of paid media such as comparison sites, portals and publicity to existing media
 - Provide the website(My Page) and / or smartphone apps, for customer for any procedures.
- In both cases, the coordination between channels and the development of a lead (that is not stressful) to consumers are insufficient.

3. Insurance Companies Initiatives



■ Case Study

- Lifenet Life: a lead Designed for O2O
 - Designing leads to websites
 - ◆ From offline media such as TV commercials and stores.
 - ◆ From company 's owned media such as "Life Net Journal Online" and various SNS sites.
 - Use online contact points for Regular contacts and claims until maturity. There are some offline contact points such as "Fureai Fair" held in all around Japan.

"Life Net Journal Online"



Source: "Life Net Journal Online" (2019/10/10 acquired)
Lifenet Life's "Fureai Fair"



Source: Excerpt from "Employee Blog" (2019/07/19) by Lifenet seimei Co., Ltd.

3. Insurance Companies Initiatives



■ Case Study

- Kenko Daiichi (Dai-ichi Life: Smartphone App)
 - Find out users health age and type based on image recognition of health examination results. And advice on health issues, and diagnosis of future risk.
 - Gamification elements into the pedometer to promote healthy behavior (Users number of steps can be exchanged into some tokens.)
 - “Face AI” shows users futures health, based on changes in BMI and age. (include users future photo images.)
 - Non-subscribers are also available to use this App. It seems they aim to corral them to future customers.

Dai-ichi Life Smartphone App "Kenko Daiichi"



Source: Website of QOLeap Co., Ltd.

3. Insurance Companies Initiatives

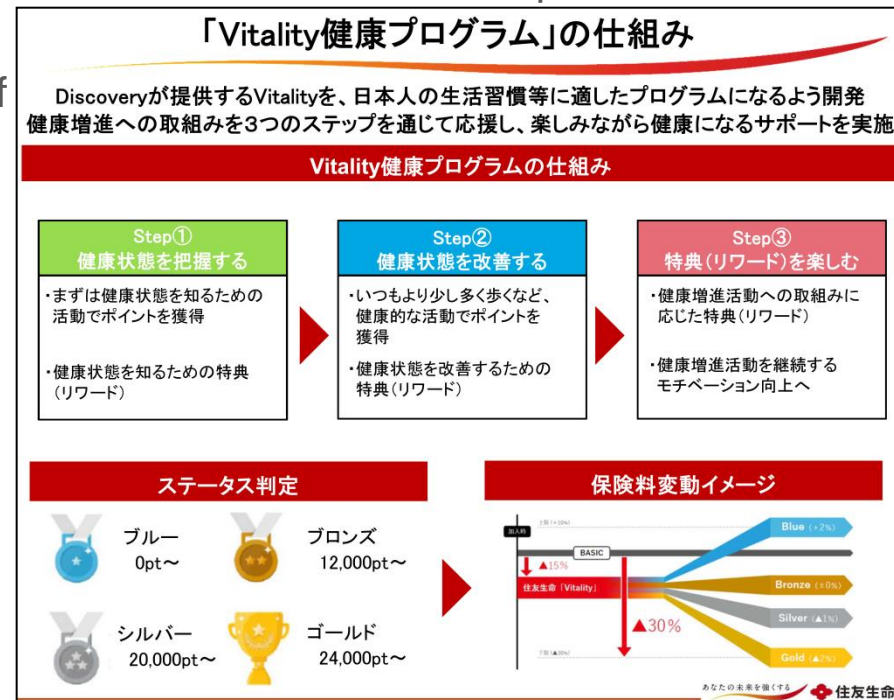


■ Case Study

● Vitality (Sumitomo Life: Services and Programs Linked to Insurance Products)

- Discounts (premium) are offered based on points earned through the recording and management of health promotion activities. Users use wearable devices and links their health with activity point.
*including offer discounts on gym fees and wearable device purchases.

- “Vitality programs” themselves can help improve the balance of payments and create loyalty among existing policyholders.



Source: Sumitomo Life Insurance "IR materials" (2019/09/11)

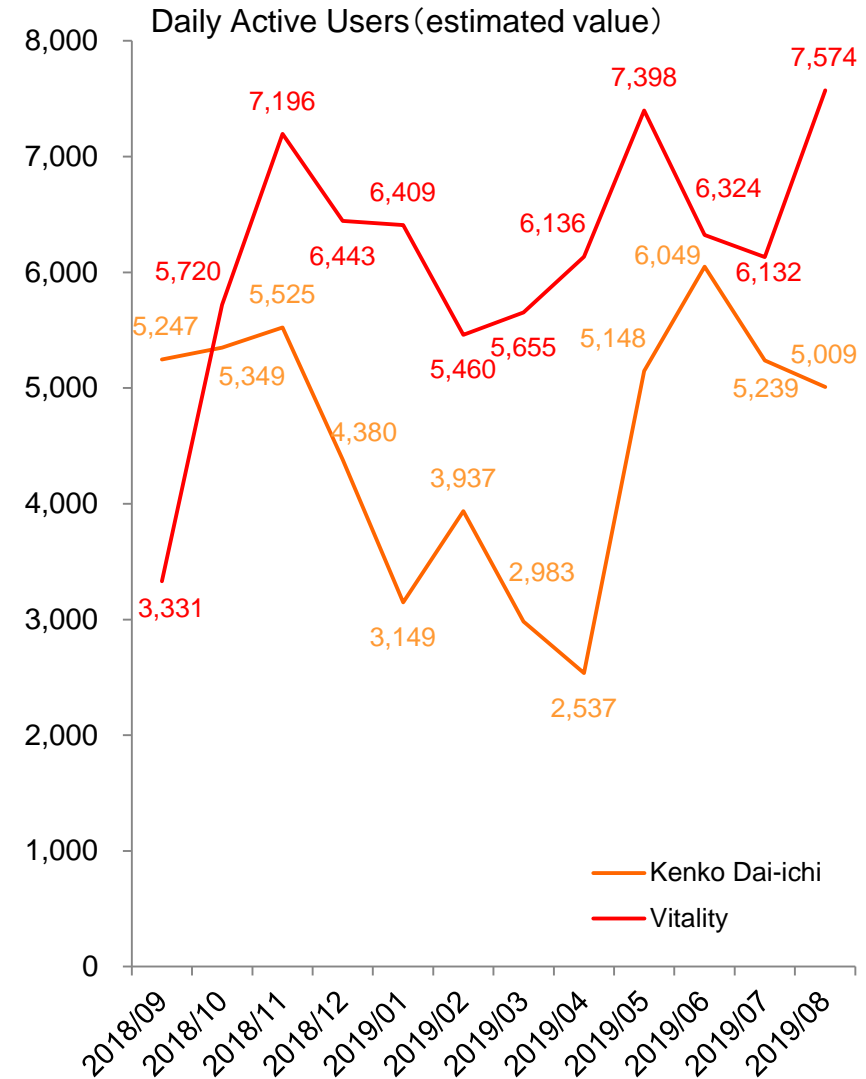
3. Insurance Companies Initiatives



■ Case Study

● Current Status of Smartphone App Users at Dai-ichi Life and Sumitomo Life

- The number of active users varies greatly from month to month for both companies.
- The last half year, active users volatilities are smaller in “Vitality”.
 - The tracking steps and management functions are common.
 - “Vitality” may have an advantage when it comes to appealing to continuous use. (Contributing to Creating Loyalty)



Source: SimilarWeb

Fin.

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5. Questions and Answers





