

Insurance: Enabling sales in the new normal

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The COVID-19 pandemic has impacted us in more than one way, either directly or indirectly. Whatever your opinion is on how this will play out, I am sure you will agree that the changes which COVID has brought about, are here to stay.

This has taken physical interactions, especially contextual to BFSI sales down a notch. Face-to-face interactions and meetings have come to a halt. Although conversation will always remain the cornerstone for selling BFSI products, I believe the pandemic has ushered us into an era of digitization. By digitization, I don't only mean digitization in the domain of sales but digitization at an operational level, and the

fundamental business model standpoint. This is a tipping point, and those taking the leap forward, will survive, it is that important.

I will refer to insurance as an example and like other industries, this is also a great opportunity for insurers to re-engineer their processes to make life simpler for customers. At the end of

the day, easy, frictionless processes and claims are cornerstones of trust and thereby sales. I am sure you wonder how? For that let's look at 2 problems being faced by the industry.

Firstly, people don't understand the significance of having insurance cover. Very few who understand risk management take insurance to mitigate risk. Broadly speaking, insurance is not a product that excites anyone. Secondly, the insurance industry is highly susceptible to trust issues. The major reason is that we have more people who experienced long drawn out claims process than those who had frictionless claims experience, or at least the ones who have had a tough time tend to talk about it more than those who had excellent claims experience. This has led to a perception problem!

Coming to our first problem of risk awareness (or should I say averseness), the world around us is doing the job for us right now. People are getting more aware of insurance. The pandemic, and increase of critical illnesses, have increased awareness of health insurance. Natural Calamities too are increasing by the year, India witnessed some 5-6 disasters last year in various parts of the country. Look at the latest cyclone Tauktae which created havoc on the West coast of India in the last few days or cyclone Yaas, which hit the East coast of India with unfortunate devastating consequences. So, gradually the awareness is being built. But awareness alone is not enough.

I think this is the right time for insurers to make the entire process of claims friction-free. When the insurance industry will have a seamless claims process, the perception will begin to change. This will nudge people to put their hard-earned money towards insurance. So, I think it's paramount that insurers work towards making claims and servicing friction-free.

Taking claims settlement down from weeks today to hours to minutes is the order of the day. Customers prefer their queries to be solved on the spot, either through a BOT or individual using quick chats rather than waiting in an IVR queue for 10-15 minutes. Such initiatives improve customer experience and thereby trust. Though these are not directly related to sales, this is the best thing organizations can do at the moment to build strong digital capabilities, which will in a way act as pitch books on their own.

These measures when combined with an effective and "phygital" sales journey will complete the picture. At some stage, products may be standardized, pricing might have slight variation, but it's the digital capability of servicing the customer in times of their direst need that will not just help with customer loyalty and retention but will also help acquire new customers.

Like I have stated earlier, the human element will always remain crucial in insurance or for that matter any business, but digitalization can really add a lot of value and operational efficiency. I believe this is the way forward. The more an organization does towards improving customer experience and automating processes, the more time it will give to their sales force to step out and expand the business, especially when things settle down.

But never forget, people will buy your products when they have trust, which can be built over a number of years, digitization will help improve customer experience thus bridging the gap and make the process slightly quicker.