

Data governance, CX and a tale of data in the insurance industry

 By [Gary Allemann](#)

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Insurance is typically something people resent having to spend money on and is therefore often seen as a grudge purchase. In an economic climate where individuals have less disposable income than ever, retaining customers and attracting new ones can prove challenging for insurers.



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The Customer Experience (CX) plays a critical role in convincing people that insurance is essential spend. However, delivering products that effectively cater to customer needs, and creating a memorable and pleasant encounter, requires insurers to have significant depth of understanding of the customer. This, in turn, requires analytics, which hinges off of clean, high-quality customer data. Data governance is therefore the cornerstone of the CX and must be effectively addressed in order to provide the best experience for the customer.

The taming of the customer base

The internet, social media and digital transformation have changed the way customers interact with businesses, and insurers need to adapt their processes and models accordingly. The customer today is not the same as the customer of 20 to 30 years ago, and 'business as usual' no longer applies.

South Africa in particular has changed dramatically over the last few decades, not simply in terms of technology, but also in

terms of a shifting market. Where once, the sole target audience of insurers was the middle-class, there is now a wide range of markets and different customer demographics. From the nouveau riche to the emerging middle classes, young, old, male, female and all races, there are so many different customer segments that the old models did not cater for.

It is vital for insurers to adapt and cater for these segments with innovative products and costing models that meet their needs and are appealing to a market under pressure. Insurers also need to shift their mindset to cater to a diverse digital customer base, or risk losing customers to new players in the market.

As the customer likes it - Adapt or die

To remain relevant and retain and grow market share, insurers need to re-think their legacy models and processes and embark on a digital transformation journey. Customers are not static, and their needs are not the same from one year to the next. The CX needs to address this. New digital strategies can help insurers to better serve their customers, measure their responses, and more effectively cater for their needs as they grow and change.

Harnessing the power of data and data analytics, insurers can, for example, target a 20-something job seeker with the right insurance to meet his or her needs and pocket. Then, over the years as the customer profile changes, insurers can adapt their product offerings to suit. If the individual purchases a car or a house, the right insurance product can then be targeted for them. If they get married or start a family, products can be offered to suit. The data needed to achieve this level of service already exists, and it is essential to be able to leverage it.

Much ado about data governance

Digital transformation is not a technology problem, but a business imperative, and insurers need to begin to look at their data as a business asset and not simply the domain of the IT department. The foundation of an improved CX is data analytics. Successful data analytics can bring new insights about customers and enable insurers to predict client needs and trends.

However, the quality of the data underpinning these analytics is crucial. It is essential to understand what data exists, where it resides, what data is missing, whether or not it can be understood and most importantly can it be trusted. Analytics based on poor quality data will lead to poor, inaccurate decisions. Insurers need to break down the typical information siloes to gain a single view of their customers across different products and portfolios.

Having faith in the accuracy and veracity of data is the foundation of effective data analytics, and digital transformation as a whole. Data is an asset that can help insurers find innovative ways to optimise business processes, deliver value to customers, and build a stronger competitive advantage.

ABOUT GARY ALLEMANN

MD of Master Data Management He is passionate about Information Communication Technology (ICT) and more specifically data quality, data management and data governance.

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