Omni-channel in insurance
Successfully turning digital leads into high value sales

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A BRIEF INTRODUCTION

There’s no doubt about it: we live in a digital age. And when billions of customers – whether existing customers, or potential ones – are interacting with digital ecosystem platforms every day, it is only logical that insurers get excited at the opportunities the digital age presents – rich, useable data from an ever-expanding customer pool.

But even though customer preferences lean toward a digital-first experience, there is always a need for that human touch – especially when it comes to life insurance. Complex life insurance products with significant, long-term implications work well in an omni-channel model, where online journeys are seamlessly combined with personal, tailored support from human advisors.

The concept sounds easy and is not new. But the reality is that most insurers have struggled to deliver on omni-channel, despite large investments into related strategies, ecosystem partnerships, and technology.

This is where we come in.

Income Insurance, Boston Consulting Group (BCG), and ZA Tech jointly designed and implemented a cutting-edge omni-channel operating model. Since its launch in 2021, our integrated omni-channel sales journeys have outperformed typical lead-to-sales conversions observed in the market by a factor of 3-5x.

This is our story.

This whitepaper explores our practical experience in unlocking the potential in omni-channel sales.

- Key principles behind a successful omni-channel proposition
- Essential features that make up a seamless customer journey
- Practical recommendations on building it
- Major challenges insurers should be aware of – and proactively tackle

It doesn’t matter where you are.

This whitepaper focuses on omni-channel sales with digital ecosystem platforms, and draws on experiences in Southeast Asia – but our learnings and recommendations can (and should) be applied to other regions, lead channels (e.g. digital advertising) and business models (e.g. bancassurance).

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**The facts – the customers are digital-first**

The major digital ecosystem platforms in Southeast Asia have over two billion¹ monthly active users across a population of half a billion smartphone users². This essentially provides insurers with an average of four digital access points per prospect through the largest platforms alone. All major insurers in the region, including Income Insurance, are investing in partnerships with digital platforms, and are leveraging digital marketing to drive lead generation and sales.

**What does this mean for insurance?**

Customers’ digital affinity is reflected in how they want to interact with insurance. It turns out that their preferences change and evolve throughout their journey, with around 50% being digital-first when they begin their research. As they continue, and the decisions around products become more important, there is a much higher shift toward human assistance. Even though there is no one-size-fits-all journey, 65-70% of customers make at least one channel switch, jumping from digital to human assistance or vice versa, especially towards closing. In fact, only one in eight people prefer an end-to-end, fully digital experience (see Exhibit 1).

That shift toward the human touch grows stronger with life insurance. Securing your and your family’s financial future is a big decision - accompanied by a complex sales journey, medical and financial underwriting, and a significant price tag.

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**Exhibit 1 | Omni-channel preference along the insurance customer journey**

![Diagram showing channel preference]

Source: BCG Distribution-X Global Customer Insight Study 2022

Questions: Suppose you want to take out a new insurance and obtain information in advance. Which of the following channels would you most likely use to obtain information (such as Coverage, etc.)? Which channels would you then use to obtain price information and offers? If the offer is right, which channels would be most suitable for taking out insurance?

¹Source: App Annie data on monthly active users of major e-commerce platforms, travel platforms, social media platforms, superapps and e-wallets in Q1 2023 across key ASEAN countries, BCG analysis

²Source: Statista, BCG analysis
Insurers are catching on – but slowly

We have seen a strong trend toward embedding general insurance products, such as travel insurance, into those partner ecosystems. But life insurance is different, with customers encountering embedded short-term, pure protection products at most. In either case, the value pool of purely embedded insurance is still small. The true value of ecosystem partnerships lies in the ability to generate leads and convert them to long-term life and investment products – at scale, and low cost.

The discussions and investments around omni-channel models have been happening for the past decade – but so far, very few have managed to crack the entire integrated process. It is not surprising either – the journey from lead acquisition, to advisor allocation, to warming, and finally conversion is hindered by a variety of obstacles. Siloed organizational processes, complex products, lack of incentives and change management, outdated technology, and sparse data all contribute to a tough problem to solve.

A success story – proven by its results

This paper provides a practitioner guide and blueprint for a successful omni-channel sales model, with our focus being on life insurance. We have successfully worked on digital lead acquisition on partner platforms with subsequent pivot to offline advisory channels. The insights are based on the experience of Income Insurance supported by BCG and ZA Tech, successfully building an omni-channel platform and operating model in Singapore. The first launch of the new platform as minimal viable product (MVP) took place late in 2021, and achieved clear results in 2022:

• 19,000 qualified\(^3\) leads generated via pilots with digital ecosystems in Singapore
• 10% lead-to-sale conversion, a 300 to 400% uplift
• 5% incremental annualized premium generated
• 62% of leads being new or reactivated customers – 2-3x better than BAU\(^4\)

Income Insurance and BCG came together with a common vision of the digital ecosystem and omni-channel potential. BCG, supported by experts from BCG X, designed the end-to-end journeys and requirements for the platform. ZA Tech built the omni-channel platform, integrating with peripheral systems to create a seamless experience. Empowered cross-functional teams from all three organizations, spanning marketing and partnerships, experience design, technology build, distribution, and even compliance worked in agile “pods” to iteratively deliver and improve the MVP, allowing Income Insurance users to ultimately own the platform.

\(^3\)Submitted full lead form and/or booked an appointment with an advisor

\(^4\)Business-as-usual in traditional channels - 20-30% of leads are new or returning customers (previous customers of Income Insurance without any active policy). Income already serves about 1.7 million customers in Singapore, which total population is just 5.6 million people
The key principles of a successful omni-channel journey

It might go without saying – but getting key aspects right is the first step in shaping a successful, integrated omni-channel sales operating model.

These are the five essential principles insurers should start with to set up and scale life insurance omni-channel sales:

1. Seamless journeys without process repeats across any chosen channel
2. Continuity of a serving “bionic” advisor
3. High-quality, pre-nurtured leads
4. Attractive hook products and propositions
5. Plug-and-play integration in partner platforms

Research shows a wide variety of preferences in the way customers interact across various stages of the journey: self-service, online chats, (video) calls, and in-person meetings. Since preferences are fluid, a seamless continuity across channels and stages is paramount – data and context need to be carried over in real-time, ensuring that there is a seamless experience, without any process repeats.

A prospect’s digital interactions should be shared with an advisor as part of the lead profile, giving full context to subsequent interactions. Some customers prefer an immediate or ad hoc connect, while others prefer to book far in advance. One customer might make an immediate decision, while another may need to take time to consider and discuss with their spouse or family.

Providing prospective customers with flexibility – on their schedule, and their channel – is key to maximising conversions.
2. Continuity of a serving “bionic” advisor

An ideal interaction would see a customer being assigned to an advisor, being paired up based on customer preferences and advisor’s skillsets. End-to-end, trusted advisor-customer relationships happen in wealth management, and they should happen in insurance too. Insurers should look at bringing every advisor onto the entire journey, and onto every channel. Insurance advisors need to become “bionic” – empowered and trained with the right set of digital engagement tools, coaching on digital relationship management, and incentivized to take better care of their assigned leads.

One single point of contact makes a big difference in customer-insurer relationships.

3. High-quality, pre-nurtured leads

Prospective clients typically are not on a digital ecosystem platform looking for insurance – they are normally scrolling or shopping when they are presented with insurance products. It might take more than one interaction for a prospect to be considered nurtured. Gently funnelling prospects toward making a decision on insurance requires more than a single digital post. Engaging them with more personalized media and campaigns, or directing them to landing pages all make it easier to nurture leads when insurers have a comprehensive, consistent, personalized, multi-channel approach.

It is not just about repeating your message – it is about repeating it in a customer-relevant way until it sticks.

4. Attractive hook products and propositions

Few prospects – especially younger ones with little experience with insurance – jump from their first digital encounter with insurance, to spending thousands of dollars on a life insurance product. Entry-level hook products have proven to be an effective way of getting more prospects further along the journey. SNACK by Income is a case in point. SNACK is a lifestyle-embedded, digital insurance ecosystem that allows users to accumulate free, stackable insurance when they transact with Income Insurance’s ecosystem partners. After reaching the maximum allowed sum assured on the SNACK app, prospects are smoothly redirected to the advisor-led, online-to-offline part of Income Insurance’s omni-channel strategy. The takeaway here? Affordable or freemium propositions are a good first step to lowering an entry barrier to an initial purchase.

Hook products work both for lead acquisition and warming leads via a gentle, interactive introduction to insurance.

5. Plug-and-play integration in partner platforms

Insurance is hardly ever a digital platform’s top priority. Many other products/services are already competing for the customers’ attention, and there is always a long backlog of platform enhancements.

Overcoming this and becoming a partner of choice for ecosystem platforms means delivering on the below key elements:

- **Clear user benefits:** Value-add to the platform’s customers with a competitive and complementary product offering (for example, products for an under-addressed current segment)
- **Seamless customer experience:** Meeting or exceeding the platform’s UX standards, avoiding the risk of negatively impacting users’ perception of the platform
- **Attractive economics:** Either through direct monetization via marketing fees or second order effects delivered to the platform (such as improved customer engagement)
- **“Zero-effort” integration:** Plug-and-play integration into the platform’s systems, to prevent a diversion of development resources from the backlog of core enhancements

These needs are particularly relevant for an emerging partner category – the digital banks. In Deep-Dive II on page 11 of this document, we outlined an innovative approach of a partnership between a digital bank and traditional insurer.

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5 Pure protection products across three product lines (term, critical illness and personal accident) and investment-linked credits
The building blocks of a seamless, high-output omni-channel proposition

Many channels = many moving parts. Building an omni-channel platforms means mapping out the entire journey and developing dozens of features for every step. In Exhibit 2, we have outlined important capabilities of an omni-channel platform – building on the experience with Income Insurance. The most important capabilities are further explained below.

**Step 1: Nurturing & matching**

- **Insurance offers / hooks online & in partner apps:**
  Upfront awareness and engagement with prospects relies on their easy access to insurers. A reusable, configurable frontend component (the “Partner Interface”) is an invaluable tool here. Insurers should invest in building a Partner Interface that can be quickly and tightly integrated into any new channel, with minimal development for the partner platform. Insurers can create a branded interface, with content relevant to their prospects, and API integration for key customer data fields, to tailor content and prevent users from having to manually enter their information.

- **MarTech engine for lead nurturing:**
  Digital platforms have many ways to identify their users and their decisions, and tapping into their technology and insights can prove invaluable to insurers. A quick-to-deploy lead generation engine can empower a partner to identify high-potential leads based on the platform’s own data triggers, and drive digital nurturing within the partner ecosystem. For insurers, this type of highly accurate segmentation and real-time data can ensure that they are getting the right product to the right person, at the right ‘life-moments’. Different triggers and nurturing mechanics exist for this, including different channels, with targeted and time-based messaging and creatives.

- **Appointment booking:**
  This tool is part of the integrated flow within the Partner Interface, and allows customers to schedule a meeting with an advisor. It gives customers the benefit of choice; if they are already a customer, they can choose an existing advisor, or opt for a new one. It also creates a personalized experience – collecting additional customer info for advisors to know the customer better ahead of the first chat. It could include something as simple as an introductory video of the advisor.

**Exhibit 2 | Key features of a seamless high-output omni-channel journey**

A note on terminology

Different organizations use different terminology for the key steps in our omni-channel journey. In the following, we will use the below definitions:

- **Nurturing** - fostering a prospect’s interest in insurance before they become a lead. This may include prospects leaving contact details with advisors.

- **Warming** - building a lead’s awareness of insurance after they’ve expressed intent to make an appointment, or have already signed up for a meeting.
Self-discovery engagement tools: These are a set of digital tools deployed within the partner’s or insurer’s website or app, aimed at nurturing a prospect’s interest to insurance. These may include personality-based protection and savings gap calculators, or interactive “people like you” tools – which provide customers with a profile facing similar circumstances to their own (see Exhibit 3). Usually, once these quizzes have been completed, an appointment with an advisor is suggested.

Smart matching: Using the data collected via the various channels available, this engine scores and matches prospects to advisors based on their characteristics, needs and interests, as well as the advisor’s skillset and availability. It is linked to an “Advisor Portal”, providing advisors with a detailed introduction to their prospects before the first meeting. Prospects can create and manage appointments themselves, and are met with a welcome from an advisor who is an expert in the insurance products they need.

Exhibit 3 | “People like you” self-discovery engagement tool

Source: Income Insurance

Step 2: Contacting & warming

- Lead insights and digital footprint: Lead insights from all channels are supplied to the advisor via the Advisor Portal – linked to a “Customer Data Platform” (CDP). This portal includes lead channel insights, segmentation, digital marketing campaign responses, potential product intent, previous interactions history, existing policies, and more – all aimed at empowering the advisor with even more contextual information for that first meeting. The CDP should allow for customer data unification across multiple systems and channels, supporting auto-tagging and segmentation to distil lead insights.

- Advisor nudges and message services: For each lead, the insights can be supplemented with communication tips, templates, and next best action recommendations for advisors to use via integrated cross-channel communication services (Communication Platform as a Service, or CPaaS), including emails, SMS, instant messaging apps, and calling.

- Pre-appointment personalized info-board: Advisors can use this digital tool, integrated into the Advisor Portal, to create a personalized webpage for prospects. With a few clicks, advisors can generate the page and automatically share the link with the lead (see Exhibit 4). Keeping the lead warm before the first appointment is critical, as the “dead zone” between appointment booking and the meeting itself may spread across multiple days. The info-board can solve this issue and prepare the client before the actual meeting – providing financial planning articles or introducing relevant popular products. It also shows prospects how committed advisors are. When potential customers see that effort has gone into curating content and ensuring they turn up for their meeting, it levels up their engagement with advisors and products – making it easier to close a sale.

- Lead reactivation via marketing automation: Sometimes leads turn cold. There could be many reasons – perhaps the true interest for insurance was not there, or the appointment did not work out due to
a scheduling conflict. Luckily, we can continue to engage our leads via automated, multi-stage marketing strategies, building on auto-tagging, segmentation and scoring logics. Cold leads (prospects who started the journey but dropped off) or previously churned customers can be reactivated using these tools.

**Exhibit 4 | Personalized info-board**

**Step 3: Meeting & Closure**

- **Customer-centric KYC, needs analysis and conversational data capturing tools:** Knowing your customer means knowing how they like to engage with their insurance, and their advisors. Collaboration tools for customers and advisors can be integrated into the Advisor Portal, allowing advisors to perform complex presale steps—like needs analysis—in a more conversational way. Perhaps more importantly, these meetings can happen in a setting that customers prefer (whether in-person, or remotely via co-browsing). Some examples of these tools include live sketching on a tablet with pre-set templates, handwritten text recognition for automated data capture, pre-populated customer data via CDP integration, or automated retrieval of customer data from governmental websites.

- **Interactive, real-time product quotation tool:** Integrated into the Advisor Portal, this product benefit illustration tool allows an advisor to easily pick and configure a product for a customer’s needs. Key features may include automated product and coverage recommendations, benefits visualization via charts and infographics, product comparison tools, and more.

- **Cross-channel application and closing capabilities:** A key step is ensuring customers can complete applications across all channels. Whether this happens independently after a meeting, or in an online/offline meeting with an advisor, the captured data needs to be carried to, and accessible across, every channel available. This includes supporting document provision, signatures, and payments. If possible, this should be supported by real-time issuing capabilities.

Insurers often face a common challenge in synchronizing these features into an integrated journey. Yes, many insurers have shown success with certain parts of the journey—but a fully end-to-end success story, with actual customer and advisor adoption, is still rare. Ensuring that customers and advisors have a seamless journey means stitching those individual moments together - the solution logic, the designs, the tech solutions/applications used, the data pass-through, and so on. In the next section, we will discuss how to get it right, and prevent the pitfall of disconnected and/or poorly adopted omni-channel journeys.
Deep-dive I – How can GenAI support omni-channel sales?

Generative AI and large-language models (LLMs) can further help improve the omni-channel experience. In the medium term, we see these tools not competing with advisors – but complementing them. Below, we have outlined select potential use cases:

- **Advisor assistance**: GenAI can recommend personalized content, formats, and personalized messages based on a customer’s profile in the CDP. Personalized answer options can be provided to advisors within the Advisor Portal for better, faster responses at a lower cost. Another use case would be LLMs summarizing customer appointments, auto-updating the CDP based on it, and providing next-best action recommendations.

- **Advisor enablement**: Advisors often deal with digital ecosystem leads in a remote setting. GenAI can help with training advisors to develop sales, engage with clients, handle pushback and various other customer interaction techniques, by simulating human conversations.

- **Product personalization**: Using data from the CDP, and updating in real-time based on live conversations, GenAI can be used to provide customized product coverage recommendations. This can extend far beyond simple premium-coverage permutations for standard products, including personalized products on a liability/benefit level. However, beyond the implementation, this will also require an insurance core system supporting highly modular product configurations.

While there are some significant benefits of using GenAI and LLM in the omni-channel journey, there are some risks that should be proactively addressed. These can include AI hallucinations (a confident, but incorrect response/responses not justified by the training data), or compliance and ethics issues (e.g. discrimination because of biases in the training data). Initially, GenAI and LLM technologies need to be embedded in a “human in the loop” set-up to train, calibrate, supervise, and control the algorithms.
Building an omni-channel journey as an insurer

Omni-channel journeys do not exist in just one domain. A cohesive and seamless experience that delivers results relies on three organisational units working together – technology, marketing, and distribution.

Cross-functional teaming

The foundation of implementing omni-channel sales is an empowered, incentivized, cross-functional team. A connected group that synergizes all capabilities required for a complex digital solution launch is crucial to the success of these omni-channel journeys. They need to have strong expertise in areas like Business and Project Leadership, Product Management, Experience Design, Digital Marketing and Partnerships, Data and Analytics, Engineering, Distribution/Agency and Operations. We have learned that when members work in silos, or are tied to an individual department, omni-channel journeys will not go very far. The solution? An independent program that cuts across traditional organizations’ boundaries. We also suggest true transparency – clear business targets and shared KPIs, such as value of new business (VNB) uplift, conversion rates or number of new sales, are crucial for collaborative teaming and incentivization.

Agile, iterative design, build and run approach

Depending on an insurer’s starting point, the existing tech stack, and the advisors’ openness to change, transforming to a successful omni-channel model can take up to three years. To realize the impact faster, we recommend an interactive test and learn approach before scaling. For example, an insurer can test part of a feature in a small-scale trial, allowing for experiments on the feature to continuously optimize outcomes. Small scale can mean setting up pilots targeting different customer segments on 2-3 lead generating partner platforms. A dedicated set of onboarded advisors – such as 20-30 full-time advisors representing different segments – could test and calibrate the features for different advisors’ needs. Once the solution and the journey stabilize, the organisation’s focus can shift to scaling that end-to-end journey. But even during scaling, an iterative approach is best to achieve constant innovation and optimization.
Modern, productized, open architecture technology

Complex legacy systems and outdated processes are seriously holding insurers back. There is a sense of dread around even just the thought of replacing these legacy systems.

We posit that big steps can be taken with omni-channel sales, without ever touching the existing core systems—or, at most, with targeted surgical interventions. We require three key components to enable advisor-led, online-to-offline sales, and a fourth component that allows full omni-channel sales, including direct-to-customer (D2C) (see Exhibit 5).

- **Partner Interface**: A flexible, configurable, easily deployable solution, in an ecosystem partner’s website/app. It acts as an insurance landing page, providing offers, lead forms, appointment bookings, and chat/video call functionality.

- **Customer Data Portal (CDP)**: An open architecture CDP that collects and unifies customer data and leads, creates lead insights through auto-tagging and segmentation, pairs advisors to leads through scoring and matching, and automates marketing or engagement opportunities to warm (or reactivate) leads.

- **Advisor Portal**: Advisor-facing solution for lead insights, lead and calendar management, notification and nudges to warm leads. It includes typical advisor point-of-sales (POS) functionalities (such as needs analysis, quotation, application) optimized for live collaboration with customers.

- **D2C Frontend**: A customer-facing frontend with end-to-end digital sales capabilities. From quotation and benefit illustration to payment and issuance, customers can close insurance deals themselves, or with assistance from an advisor.

We believe insurers should stay away from extensive custom builds (which can add to technical debt), but not shy away from the key integrations required to deliver a seamless experience. Productized SaaS solutions exist for all these components, ready to be integrated into legacy core systems. Open architecture principles make this possible.

Exhibit 5 | Simplified omni-channel sales platform blueprint

Note: Simplified, non-exhaustive view
Source: ZA Tech

6 However, depending on the capabilities of the legacy core system in place, some capabilities may not be achievable or prohibitively expensive to implement without changing the core system, particularly related to innovative digital hook products (with product logics not supported by the legacy system)
Deep Dive II – The omni-channel opportunity with digital banks

As more digital banks stake their claim, new opportunities for insurers are created. Digital bank customers can easily be channelled to highly productive agents or telesales, with specialist knowledge - instead of bank relationship managers, where insurance is just another product. The partnership between ZA Bank and a global insurer in Hong Kong is a pioneering example of this kind of bancassurance deal.

One in four adults below 30 years of age banks with ZA Bank, making ZA Bank the largest digital bank in Hong Kong. Besides a direct digital model for pure protection and short-term endowment, ZA Bank established an online-to-offline-to-online sales model for more complex, long-term life products provided by the insurer – generating over 1,000 new leads with appointment bookings per month on average.

1. **Online nurturing:** ZA Bank nurtures customers at multiple stages within their bank app, creating awareness and interest in their products. Mini-games and quests make it a fun, interactive experience for their customers, leading to discounts and other offers.

2. **Online matching:** ZA Bank and the insurer use an engine that scores and matches advisors and customers, assigning agents best suited to the lead based on information provided, linked to the Advisor Portal. Customers can book and manage appointments with the insurer’s agents within the bank app.

3. **Offline conversion:** Agents and customers interact outside the app (e.g., in-person, by WhatsApp) to conduct the need analysis and prepare the quotation. The customers can feed back on the appointment within the bank app.

4. **Online closing:** Once the customer has decided on a quotation, they can confirm the data transfer within the bank app to auto-populate the application form on the agent’s device. Payments for the premium are smoothly integrated in the bank app and all policy data is synced back to the app as soon as the product is issued – empowering customers to manage all financial needs in one place.

Exhibit 6 | Omni-channel sales in digital banca

Source: ZA Tech
The major challenges faced by insurers

If establishing a successful omni-channel sales model was easy, everyone would have done it. Previously, we addressed three key factors to successfully deploy and scale omni-channel journey. Next, we explore three major hidden obstacles that insurers should keep in mind as they take their offering across channels.

Economic model

Finding a sustainable costing/incentivization model for an omni-channel platform is crucial. This model needs to balance excessive IT and marketing costs, with a charge on additional new business value generated. Building an omni-channel platform and creating lead-generation partnerships often have significant costs, viewed by some as unconventional – but others have already begun the process and are creating those partnerships successfully. Insurers need to see what is working and what is not, and learn from it.

Change process

Change management is one of the biggest unspoken obstacles in this space. Adopting an omni-channel journey means advisors need to be ready for training, and trusted with using new tech and data tools on a day-to-day basis. Using these tools – like instantly connecting leads to advisors, contextual data, or remote engagement – means that advisors essentially need to relearn the way they do their job. Some people do not handle change well, and they need to be supported and empowered with training, tailored coaching, built-in guides, and more.

Service model for younger customers

The digital generation needs to be attracted and nurtured in a way that is native to their online experience. This segment comes with its own obstacles: more options to choose from, lower brand loyalty, and a rejection of the old-school salesman. Upfront gamification and relationship-building is a great way to address this, with SNACK by Income Insurance as a prime example; customers who transact with Income Insurance’s partner ecosystem receive complimentary insurance coverage. Surprising, delighting, and engaging at every level is important to attract, convert, and retain the next generation of customers.

We are here to share our learnings

This was a brief outline of just some of the key features and aspects leading to the successful implementation of omni-channel sales journeys. However, each organisation is unique in their needs, and should carefully consider what would work for them and their products, based on the insights provided here. There are many more pieces of this puzzle that should be individually explored.

If you are interested in discussing more details, or need any information around implementing an omni-channel journey in your organisation, we are delighted to help. Get in touch with any of the authors for a chat around solutions, execution approaches, potential challenges, or any other questions you may have.
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- Chen Boon Khing, Income Insurance, Chief Technology Officer
- Sok Hoon Lau, Income Insurance, Chief Actuary
- Angelo Candreia, BCG, Managing Director and Partner
- Tobias Hofer, BCG, Partner and Associate Director