

Leading Through Connections

Insights from the
Global Chief Executive
Officer Study

Insurance

Extending traditional ways of interacting with consumers

By Lee Han Tjioe

The IBM Global CEO Study 2012, “Leading Through Connections” comprises face-to-face conversations with more than 1,700 CEOs in 64 countries, almost 10 percent of whom are from the insurance industry. The study reveals three imperatives impacting geographies and industries: Empowering employees through values; engaging customers as individuals; and amplifying innovation with partnerships.

CEO Study customer imperatives are particularly relevant to the insurance industry. Our latest IBM industry research, “Powerful interaction points: saying goodbye to the channel” has shown that consumer interaction is more diverse than ever before. Demographics can no longer predict customer behavior – if it ever could.

Insurance CEOs have begun recognizing this and moving their organizations toward a customer-centric approach. Of the 147 Insurance CEOs interviewed for the CEO Study, 76 percent identify *customer insights* as the most critical investment area, compared to 73 percent of the global CEO sample. 71 percent aim to improve the response time to market needs, and 69 percent to improve the understanding of customer needs – a big step up for an industry that for decades lived in a tightly regulated seller’s market, where customer expectations hardly mattered.

Consumers have been telling us that they prefer multi-modal interaction, that is, simultaneous access to multiple interaction points, and Insurance CEOs have been hearing the message. They plan to extend the traditional ways of interacting – agents, brokers and call centers – to a more balanced approach that includes the Web and peer-group interaction. Specifically, Insurance CEOs intend to shift the focus away from one-way advertising via traditional to social media. Today, 35 percent of them see traditional media as one of the three most important engagement mechanisms and this will drop to 9 percent over the next three to five years. Conversely, the industry’s use of social media will rise from 4 percent to a whopping 51 percent!

Customer focus for Insurance CEOs means getting everybody involved: employees, for whom flexibility and communicativeness become the most important personal traits, partners, including agents and brokers, and finally the CEOs themselves – 68 percent of Insurance CEOs see customer obsession as the key characteristic that a successful CEO needs.





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