

Omni in the Age of Digital Disruption

How Digital Insurance Harnesses the Power of this Data-Proven Conversion Tactic



Online is the new print. As today's consumer market is more disrupted than ever, the silo-driven age of insurance living by print alone has been left behind, increasingly replaced by digital marketing. And while the insurance industry has been slow to change, today it's in full transformation mode. This transformation, increasingly known as *insurtech*, is rapidly driving change. But it's also enabling new opportunity in the form of omnichannel marketing. The data behind this marriage of old and new, which we'll explore in this eBook, is clear—**omnichannel marketing has proven to be a more cost-efficient way to achieve results than any digital or offline effort alone.**

New digital products are entering the financial services markets at an increasing pace, and with [72% of adults preferring to communicate with companies digitally](#), financial institutions are quickly feeling pressure to take the plunge and adopt the digital approach. One of the latest products to take the digital approach is insurance, which turns a process that used to take weeks on its head. Today, most consumers can receive a fully underwritten policy in a matter of minutes, with no intrusive medical exams or interviews. That increase in the speed of the sales cycle, combined with the power of digital convenience, is disruption-worthy.

Digital insurance is also the perfect product to harness the power of omnichannel marketing, an increasingly powerful tool in insurance marketing. Omnichannel marketing brings messaging to the consumer through a variety of channels, most often including a combination of digital avenues and good old-fashioned direct mail.

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The modern insurance consumer doesn't just want to do business online. They demand the ability to make buying decisions on any medium of their choice. Omnichannel gives it to them.

Consumers are proving that they're ready to purchase insurance through digital channels. This indicates a transformation that may one day move most of the insurance purchase process online. For some financial institutions, the idea of digitizing traditional processes can be terrifying, but it needn't be. You don't need to scrap your print strategy to market digital insurance.

A modern consumer-centric experience should allow customers to choose which channel they use to engage with your brand. While some consumers prefer to embrace the tradition of applying in print, others may prefer the convenience of an online application. **In other words, consumers live omnichannel lives, and that's where we have to meet them with our messaging.**

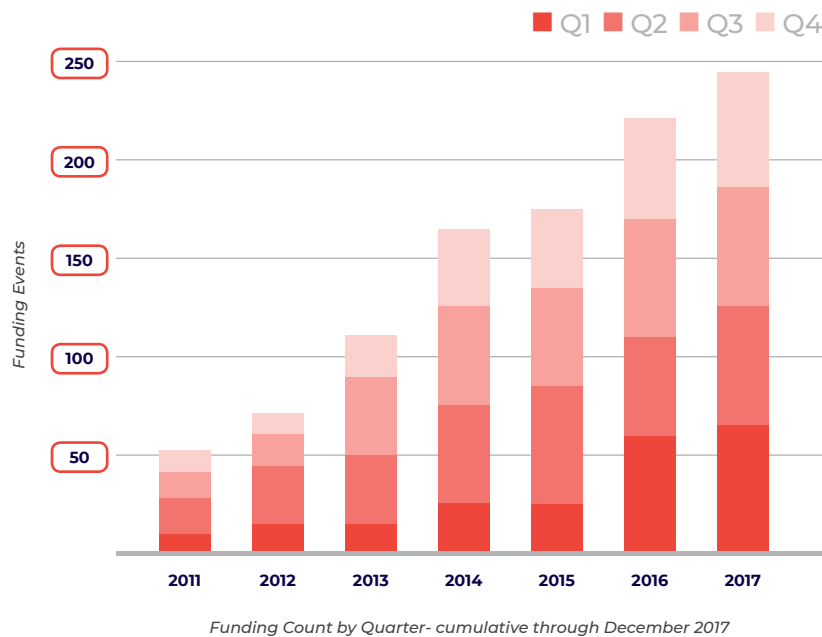


Acceleration of Growth in the InsurTech Sector

The rise of InsurTech has shown that the insurance industry is evolving fast. Financial institutions need to go digital now or risk being left behind by the competition.

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The graph below illustrates that the number of InsurTech funding rounds saw consistent growth year over year. Specifically, the CAGR in funding rounds from 2012 to 2017 is 26%. In addition, the number of funding rounds in 2017 was 108% of that in 2016.



Digital Insurance Opens Omnichannel Doors

Going digital with insurance doesn't just give you an online product, it actively opens the door to new consumers and marketing opportunities. And once you add a digital insurance product to your offerings, you have an unprecedented opportunity to build an omnichannel conversation with your prospects.

Stepping out of the confines of the world of print allows you to interact with the heaps of consumers making buying decisions online. For example, recently [a Deloitte study](#) found that 90% of life insurance buyers preferred to self-manage their existing policies through digital channels. That's why landing digital consumers increasingly requires digital products.



Digital insurance is also a competitive differentiator for financial institutions, because making a claim online is more convenient than filling out a paper form. When it's an option to let consumers fill out forms online, it often dramatically improves the experience. And a more efficient process nearly always means both higher consumer satisfaction and increased revenue.

Making the transition to digital insurance is also incredibly lucrative. It has been estimated that [digital innovation](#) in the insurance industry will expand insurers' worldwide revenue potential by \$375 billion within five years.

Similarly, going digital pays off in consumer loyalty and retention. [Forester](#) discovered that 30% of consumers who endured a bad claims experience switched insurers within a year of the claim. Providing a seamless claims process helps to minimize the long-term churn rate of prospects dissatisfied with poor consumer experience.

In an environment where consumer habits cross channels, you shouldn't jump into launching a digital product without updating your marketing strategy. [Research](#) has shown that 60% of people are using at least two devices every day, and 25% use three devices. Omnichannel marketing isn't just the *future*. It's the *now*.

Making Omni Work for You

Omnichannel marketing is a strategy designed for the digital age. It's about communicating with your consumers how they want to be spoken to. Whether they want to connect in branch, through email, your website, or direct mail, your marketing should enable that. Financial institutions often see this as a daunting process, but with the help of a third-party marketer, the move can be painless.

Tim Morgan, digital client marketing specialist at Franklin Madison, is well-versed in helping financial institutions cultivate a cross-channel experience. Morgan says, "Omnichannel marketing is about trying to give [the consumer] as many channels to enroll as possible. Especially with younger generations, direct mail isn't necessarily something that they are used to. Everything that they've been brought up with has been online."

"In principle," he continues, **"the omnichannel approach is to give consumers as many opportunities to enroll as possible, and to make it as easy and convenient for them as possible."**

The omnichannel revolution opens up new opportunities to interact with consumers. Here are the three best reasons to adopt it:

3 Best Reasons for Omni



Reason 1: Connect With Consumers Where They're Most Active



Providing consumers with multiple ways to respond makes it more likely that they will. And don't assume that Millennials are all digital all the time. In 2018, the U.S. Postal Service found that **41% of Millennials review, read, or sort their mail at least 6 times each week.**

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He also highlights that direct mail is the bread and butter of any effective omnichannel strategy, but it's the combination of both direct and digital where results shine. "Whenever a direct mail piece goes out, we try to get a banner on their homepage or on one or more of our partner's websites, just to validate the product they received in the mail is actually a product that the financial institution is offering," he explains.

"Then, typically after the mail drops, we work with the client to do an email campaign as a reminder to the mail piece about 30-days after to provide a different channel to enroll if they don't want to mail back an enrollment form" he says.

But omnichannel materials are just the tip of the iceberg, as beneath the surface, Franklin Madison has a little secret. We call it Smarter Marketing.

Smarter Marketing: Franklin Madison's Secret Weapon

Omnichannel marketing may be a potent force, but in order for it to reach maximum effectiveness, it needs to be backed by data. Our Smarter Marketing technique is about leveraging the data you hold on consumers to find the most receptive prospects. It's about using science, rather than guesswork, to get the right offer in front of the right consumer at the right time.

Using smarter marketing increases engagement, provides more value, and boosts brand loyalty. It also increases revenue.

That's why Franklin Madison has also embedded Smarter Marketing into the heart of our omnichannel strategy to drive engagement. Morgan outlines the nuts and bolts of how it works, "Our data analytics team has models that we run for all of our direct mail campaigns that are based off of years and years of data research that we have. Then our data analytics team models the files that the client sends in to make sure that we're mailing to those who are most interested in protecting their family's future."

Smarter Marketing also helps financial institutions be more audacious in the digital realm. "We're able to target those who maybe weren't selected for the mail piece and just really

3 Best Reasons for Omni



Reason 2: Marketing Channels Work Better Together



Omnichannel marketing combines the strengths of each medium. A study in the Canada Post - The Science of Activation, revealed that direct mail ads followed by display ads was the highest performing marketing sequence, **increasing consumer attention by 39%** over single-media digital campaigns and **boosting brand recall by 10%**.

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broaden that marketing group that we're hitting," Morgan says. Grounding marketing in data builds a more scientific approach to engagement, which increases conversion. In other words, Smarter Marketing leads to smarter results.

Using Insurance to Go Omni

Adopting a digital insurance product isn't about abandoning your other products. Digital insurance should merely augment the products that you already offer. Unfortunately, marketing digital insurance products across multiple channels isn't as simple as "if you build it, they will come." **You need to build a consistent consumer experience between print and digital communications that drives the consumer journey forward, no matter where it starts.**

The growth of digital insurance is following a trajectory that mirrors that of the DVD-online streaming timeline. At first, the brick and mortar approach of Blockbuster was the best way to rent movies out to consumers. But eventually, online streaming emerged as the dominant force.

During that industry's transformation, consumers remained hesitant to drop DVD rentals, as brands like Redbox offered a limited digital experience in the form of automated kiosks for DVD rentals.

Today, modern financial institutions are in the Redbox phase of insurance as they're slowly digitizing, but many consumers are still reluctant to change their buying habits. For example, based on our own team's experience, financial institution files often lack email addresses for their consumers. The low number of email addresses is in part due to consumers being unwilling to give up their email addresses, even to the institutions who are safeguarding their money.

Without an email address, it is difficult for financial institutions to communicate with prospects online. Those consumers who won't give up their email addresses are akin to those who still prefer physical DVDs to streaming content.

During this transitory phase, your goal should be to build a digital product and then start driving traffic to your site. And omnichannel marketing is perfect for driving traffic from both

3 Best Reasons for Omni



Reason 3: Personalize your Marketing



Every consumer has different preferences for interacting with brands, and omnichannel marketing helps your consumers personalize their own journey using a variety of platforms. Telco 2.0 Research found that **65% of consumers start the buyer journey on a smartphone**, with 25% starting on a PC or laptop.

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online and offline channels. An experienced marketer will know how to help you reach out to consumers across channels.

It's Time to Embrace the Omni

With the professional guidance and planning of a savvy digital marketer, building an omnichannel marketing strategy that supports digital insurance products is an attainable goal. Modern consumers demand the power to choose how they make buying decisions, and if you want to deliver a premium consumer experience, digital insurance is a great place to start. Taking that first digital step is the hardest, but it will provide substantial returns over the long term, as omnichannel marketing continues to prove itself as the leading strategy for major conversions.

Whether you're a digital long-timer, or you're just dipping your toe in the digital pool, you don't have to dive in alone. The right partner can make the difference between sink or swim when it comes to omnichannel campaigns. Fortunately for you, you've found the right partner. Contact us today at (615) 764-2082 or email Andrea Heger at aheger@Franklin-Madison.com.

