

# How ‘Prosumers’ and More Can Help Insurers Embrace the Digital World

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Major shifts in technology and the way we do business are bringing fresh pressures to bear across the business world. Consumer expectations are shifting. Everyone has to raise their digital game or risk being swept away by the wave of disruption. The insurance industry has been tremendously successful for a very long time, but it could easily become a victim of its own success in the face of a new paradigm in technology.

“Your success in the old paradigm becomes inertia in the new one,” as New York Times bestselling business author Don Tapscott recently put it at the latest [Property Innovation Summit](#). If carriers want to keep up, then they need to find ways to meet, and even to exceed, customer expectations. They need fresh strategies for digital transformation to harness these new technologies and grasp the opportunity to innovate.

## **A burning platform**

The potential costs of standing still are fast becoming greater than the costs of moving to something new, even when you’re taking a leap into the unknown. The pressure to begin or speed up digital transformation is immense. In a [global study from Capgemini](#) 72 percent of executives reported moderate or high pressure to change coming from the competition; 70 percent felt that same pressure from customers, and 32 percent felt it from employees.

Despite the pressure, you have to look before you leap. You have to consider the trends that are now shaping our world. Social media is enabling collaborative communities of billions. The rise of big data is delivering new insights about consumers and what they need. The Internet of

Things is feeding that data pipeline and connecting the physical world to the digital. Mobility has changed everything.

“It’s hard to overstate the impact of billions and billions of people, soon the population of the world, having a super computer in their pocket connected to a high speed network,” argues Don Tapscott.

But technology is a means to an end, not an end in itself. All of these considerations must be seen through the business lens. Remember that the aim is to improve efficiency and create a better customer experience.

### **The first digital generation**

It’s only natural that expectations are changing as the first generation to grow up with these new technologies comes of age. They will come to dominate the insurance industry over the next century, so we need to think about how to meet their needs. They’ve grown up with interaction and they expect things to happen quickly. An abundance of choice is the norm and there’s a low tolerance for bureaucracy.

There’s a growing demand for new types of products. Round-the-clock service that spans multiple communication channels is a common expectation. Customers want personalized offerings that show a deeper understanding of their problems. If they can’t find what they need, they’ll look elsewhere, and they’ll probably find a competitor that can deliver it.

“Incumbent insurers have been able to slide by with incremental improvements. New entrants are demonstrating that approach isn’t enough anymore,” according to the latest [PwC report](#) on the top insurance industry issues.

### **Opportunity for mutual benefit**

The exciting thing about all this pressure to change is that it can be mutually beneficial for customers and for carriers.

Self-service portals allow customers to upload post-loss data whenever and wherever they like, which frees up adjusters to process more claims. Smart, automated analysis of swathes of insurance data can highlight fraudulent claims and help to keep premiums down for the honest majority. Digital payments platforms like Paysurance enable much faster settlement of claims and reduce carrier expenses.

The rise of ‘prosumers’ as a new category of consumer who champion the products they purchase by playing an active part in their creation and spread across social media, may provide some external inspiration. Companies frequently crowdsource their problems nowadays, sparking their own innovation ecosystems.

Partnerships with other companies once classed as competitors, may also enable carriers to reposition themselves and offer enticing new product ranges. While sharing common IP and platforms may have been unthinkable in the past, it’s just pragmatic in the current climate. This notion of ‘co-opetition’ has been the norm among high tech players for years. They know a rising tide lifts all boats.

In seeking to serve the digital generation we must strive to think like it and confidently seize on opportunities to improve on the status quo.