

Four Lessons from a Customer on Advisory

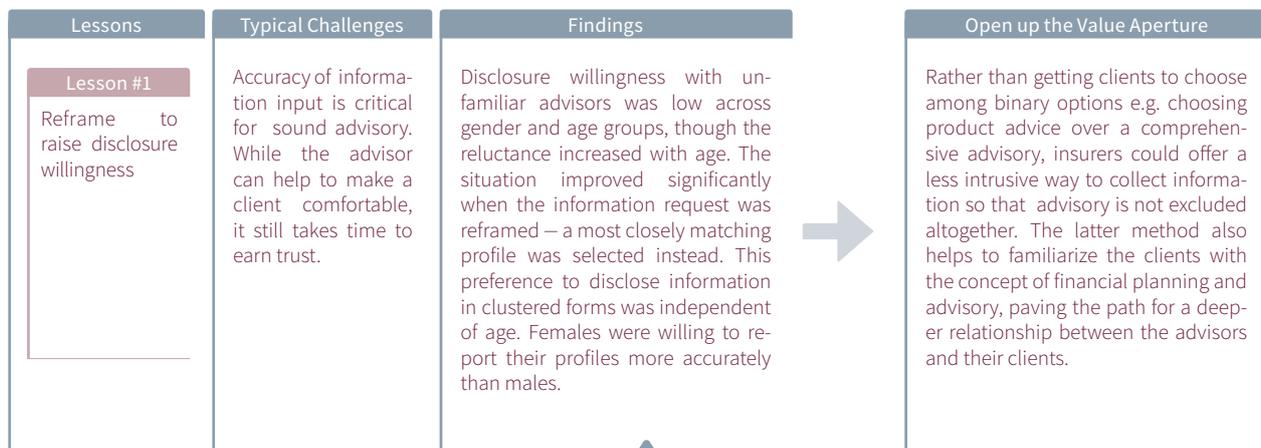
Summary

While a lot of attention has been dedicated to the professionalism of advisors and digital journeys, the advisory journey is a poorly explored area in terms of customer engagement and market differentiation. It does not help that the general market research trend tends to seek to reduce the role of advisors, despite the dominance of agency and bancassurance channels in Asia Pacific.

Synpulse conducted an online survey with working professionals to test their reaction towards the advisory process. The outcome is summarized in four lessons where tangible ways to open up the value aperture in the advisory process are highlighted. This study deviates from the classical survey approach of asking customers in their existing reference framework.

The role of advisors remains crucial. Insurers would benefit in terms of customer perceptions and advisor effectiveness by weaving technical and interactivity tools intelligently into the advisory journey. Female and older customers have clear preferences that financial advisory providers should pay attention to. A bonus to this study is the identification of a set of preferences of a specific customer segment for direct-to-consumer journeys.

A deep dive into each of the four lessons would yield further insights to tangibly support insurers and financial advisory providers.



How comfortable are you to share your financial information with an advisor/agent/relationship manager whom you have met for the first time? (1 = Not at all; 7 = Very)

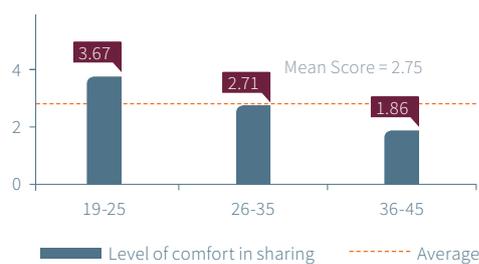


Exhibit 1a: Comfort level of sharing information with unfamiliar advisors

If the advisor/agent/relationship manager you meet for the first time requests you to select the profile you are closest to, how accurately would you be willing to do it? (1 = Not at all; 7 = Very)

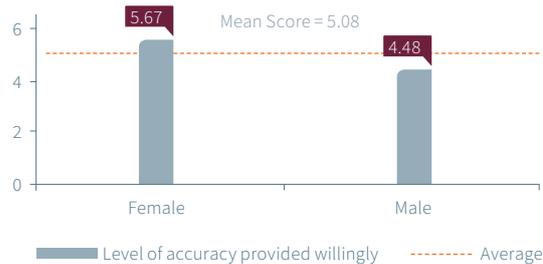
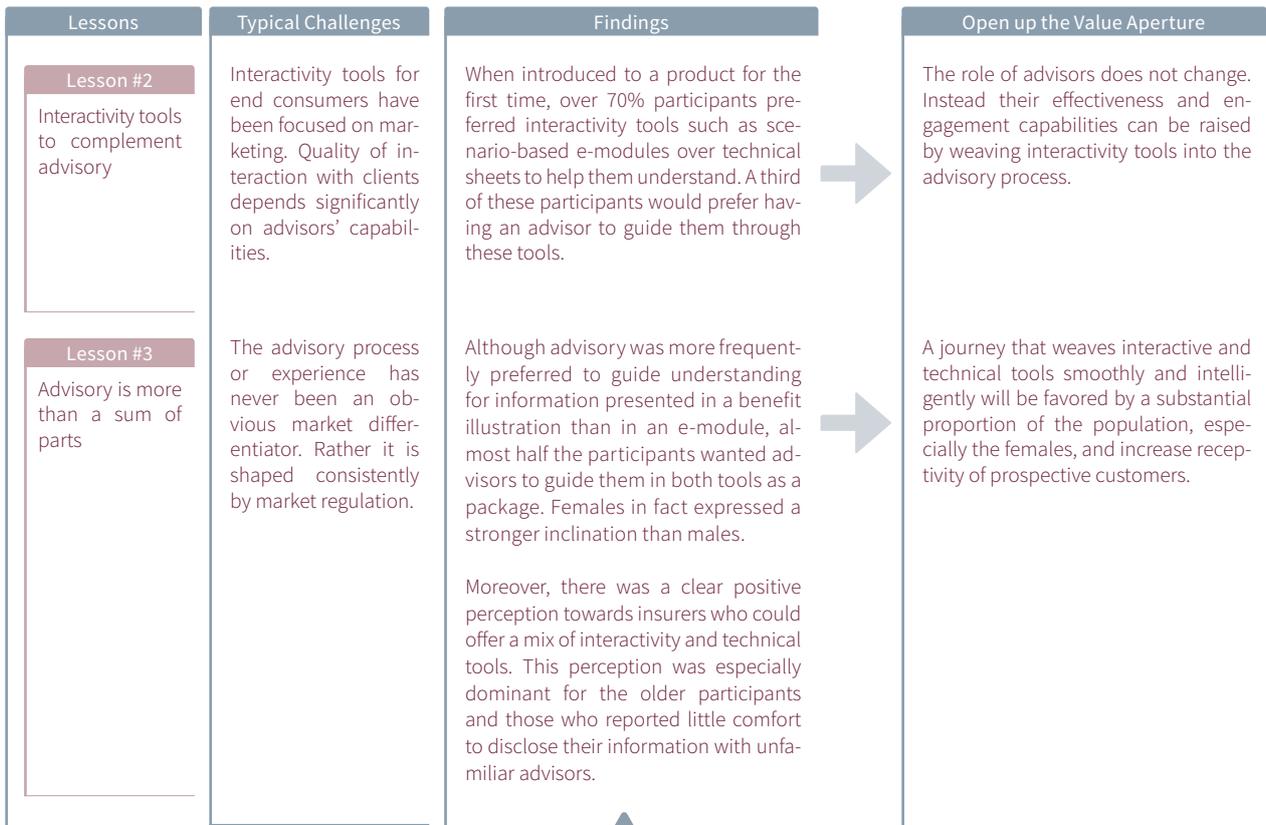


Exhibit 1b: Level of accuracy in profile selection



Positive perception towards an insurer offering...	Preferences for risk profiling tools		
	A series of simple questions based on behavioral science	A questionnaire requiring one to state attitudes and experience	Both the behavioral science-based questions and questionnaire for attitudes and experience
Interactivity tools only	5	0	0
Technical Tools only	0	1	1
Mix of interactivity & technical tools	13	1	23

Exhibit 2a: The same segment which preferred insurers to offer a mix of interactivity and technical tools showed consistent preferences, choosing to have a mix of risk profiling tools including scenario (and visual) questions based on behavioral science and classical questionnaires.

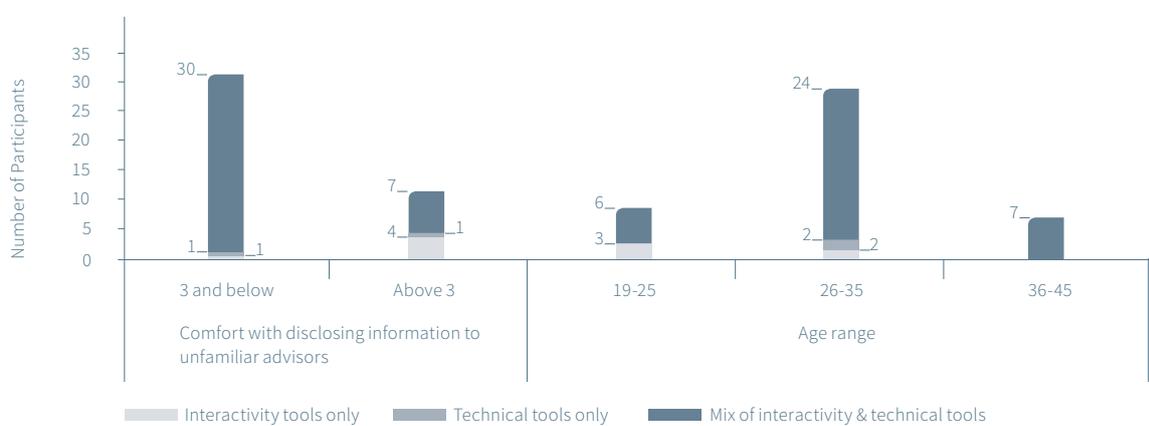


Exhibit 2b: Having a mix of interactivity and technical tools was clearly preferred by older participants and among those who reported little comfort disclosing information to unfamiliar advisors.

Lessons	Typical Challenges	Findings	Open up the Value Aperture
<p>Lesson #4</p> <p>Direct-to-Consumer journeys to be visual and scenario-based</p>	<p>In terms of customer engagement, front-ends built for direct-to-consumer business seldom differ from those for advisory process</p>	<p>Behavior and decisions made in a financial planning game were generally not considered a reflection of reality. Nonetheless the confidence level in using a game to reflect one's behavior in reality increased for a particular group when given the option to play the game in private. This segment displayed a consistent set of preferences related to scenario-based visualization and electronic-based media.</p>	<p>The identified segment gives clues to how a direct-to-consumer (D2C) journey can be shaped. D2C business generally attracts customers who feel more at ease in private. Their affinity for electronic-based media can be leveraged by emphasizing scenario-based visualization throughout the journey.</p>

Conclusion

The four lessons picked up in this study have practical implications for the advisory and D2C journeys. Much value remains to be reaped. There is ample room for industry players to differentiate the advisory experience.

Synpulse invites insurers and financial advisory providers to consider a deep dive into each of the four lessons learnt, or even to conduct a larger 'live experience' survey to test market reactions towards the advisory process.

Methodology

44 participants answered an online survey. All the participants have tertiary education degrees, are working professionals based in Singapore or Hong Kong.

The survey constituted a mix of A/B, scale and multiple-choice questions.

Information on sample profile traits including gender, age range, game experience and familiarity with financial advisory or planning were collected upfront. 73% of the participants reported having experienced financial advisory or planning before.

Although the study does not have a sample size in the hundreds, statistical care was taken e.g. significance of findings tested and unequal variances accounted for.

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