Simplifai

The 2023 Banking and Insurance Survey

An analysis of consumer and agent behavior

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Abstract

Banking and Insurance sectors have become vital cornerstones of the global economy, profoundly influencing personal and institutional financial decisions. As digital technology continues to evolve at an unprecedented pace, it is paramount for these sectors to adapt and reinvent their service paradigms to stay relevant and meet evolving consumer demands.

This urgency is further underscored by the transformative potential of Artificial Intelligence (AI). AI has positioned itself as the centrifugal force promising to reshape service paradigms. The capacity of AI to revolutionize operations, communications, and service delivery has made it indispensable.

The following whitepaper interprets a comprehensive survey conducted in late 2023, which aimed to glean insights into the challenges faced by the industry and the prospective role of AI in overcoming these hurdles.

Methodology

We conducted an online survey in association with Sapio Research between August and September 2023. We spoke to 130 insurance adjustors and banking agents and 2,502 consumers across five countries, the UK, Germany, Sweden, Norway, and the Netherlands.

Key Findings

Urgent need for efficient systems

Communication is key

Diverse communication channels are essential

Document processing is a bottleneck

Claims processing needs streamlining

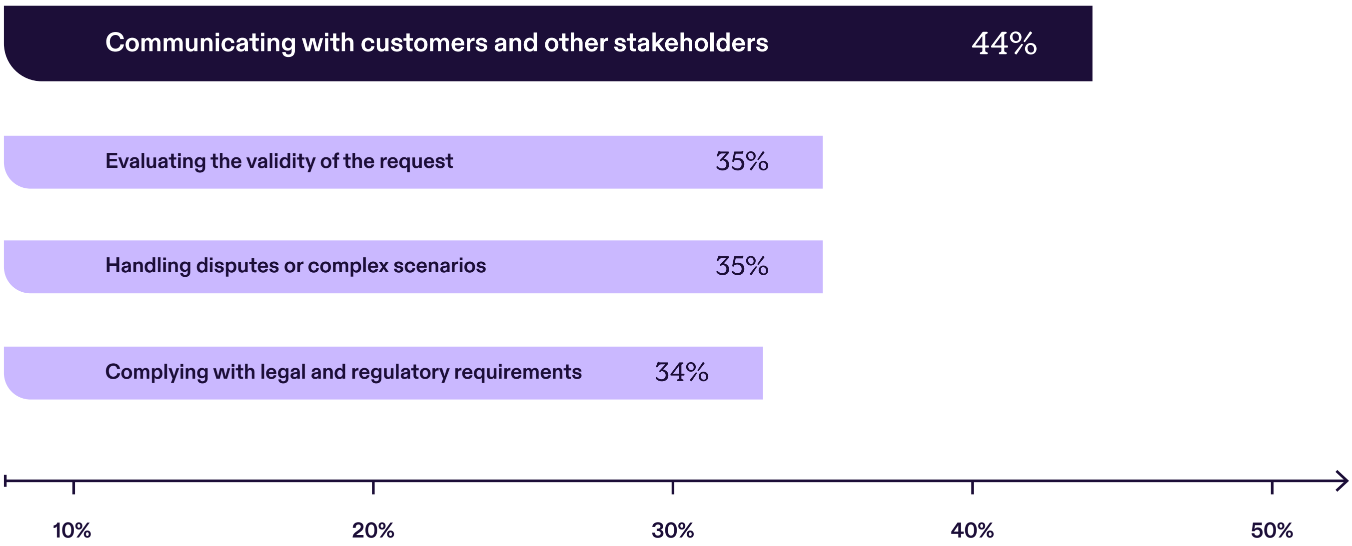
AI's potential is recognized, but underutilized

Chatbots are not the way forward

AI's value proposition is efficiency and customer satisfaction

Challenges in the Existing Framework

Communicating with customers and stakeholders consume the most time in banking and financial institutions (44%).



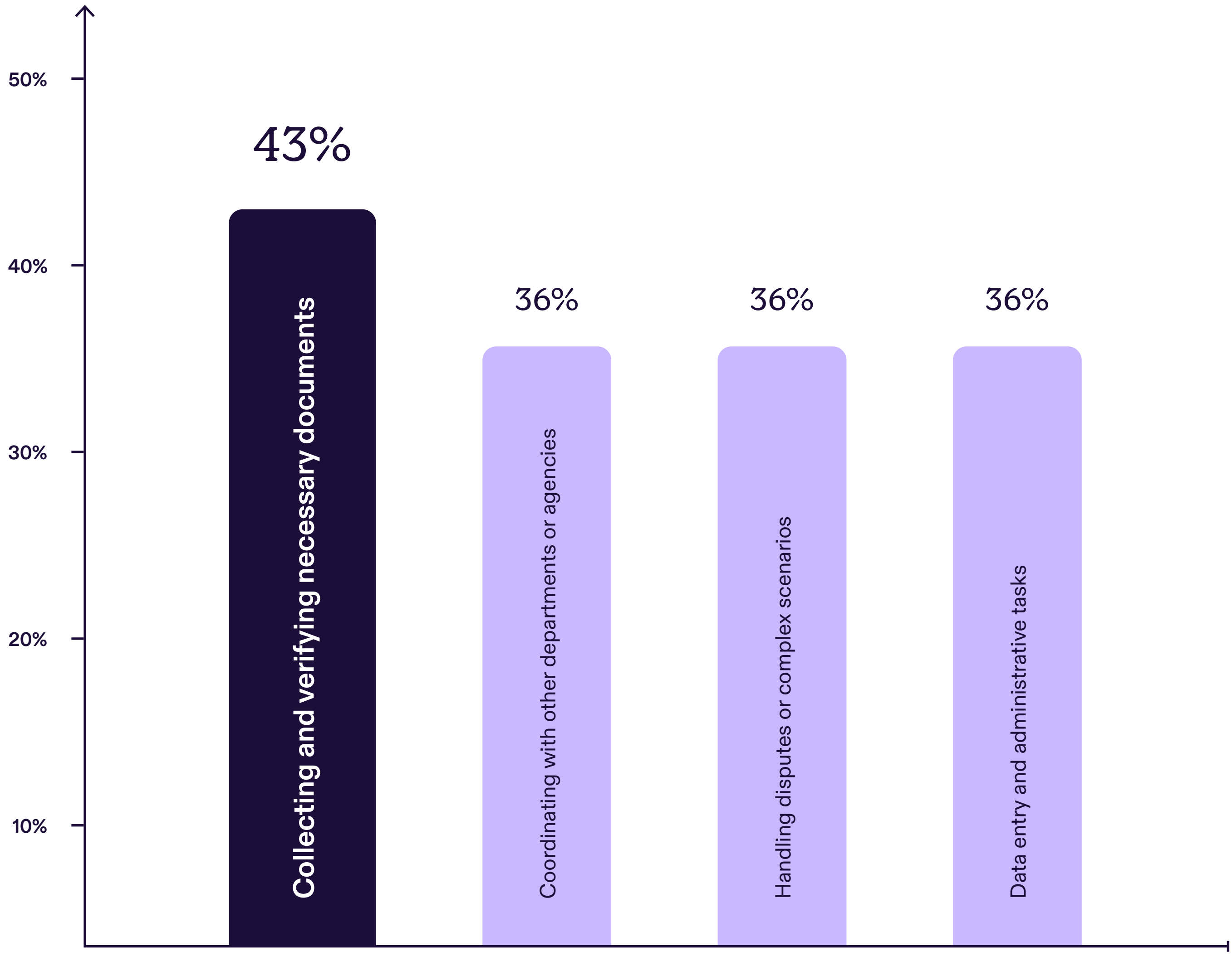
Since a large portion of time is dedicated to communication, it suggests that effective communication is crucial in the claims processing industry. With such a high percentage of time devoted to communication, there may be opportunities to automate some of these interactions through automated status updates or AI-driven customer service solutions.

This could be due to several reasons:

- Complex Procedures
- Lack of Clear Communication Channels
- Manual Processes
- Volume of Engagement

Implications: A prolonged communication process can lead to dissatisfaction among customers and stakeholders. It might also delay other processes if teams are spending a disproportionate amount of time on communication alone.

43% of insurance organizations cite collecting and verifying necessary documents as the primary delay in claims processing.



43% of the respondents believe that collecting and verifying necessary documents is the main reason for delay in claims processing. This indicates a significant challenge in the current system's record-keeping and documentation processes.

Reasons for Inadequacy:

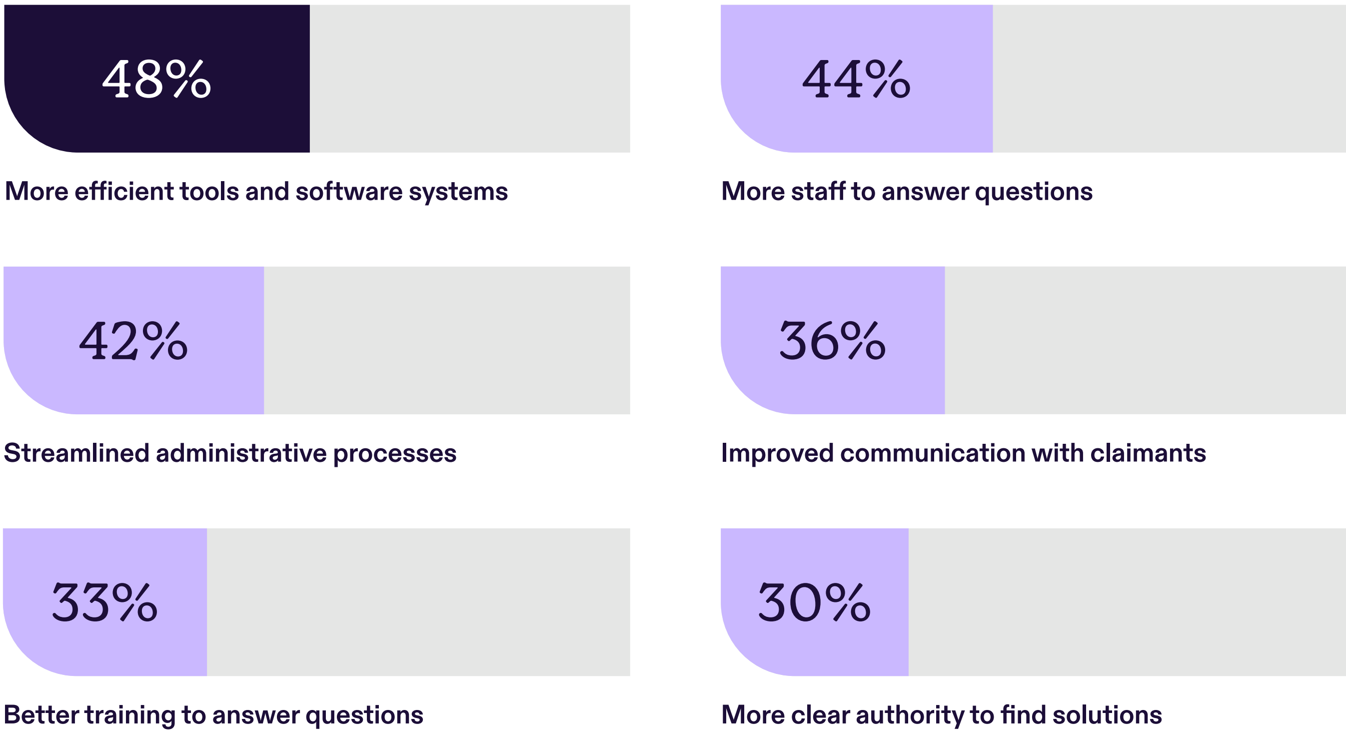
- Ambiguous Requirements
- Inefficient Collection Processes
- Loss or Misplacement

Implications: Inadequate documentation can not only delay claims but can also result in errors, disputes, and potential financial losses. Customers could lose trust in the system, leading to a reduced willingness to engage in the future.

Efficiency and Communication Stand Out

48% of banking and insurance agents see the need for better software tools to respond promptly.

Nearly half of the banking and insurance agents feel that their current software tools aren't adequately supporting their ability to respond promptly. This is a significant proportion and suggests the software might be outdated, non-intuitive, or lacking crucial features.



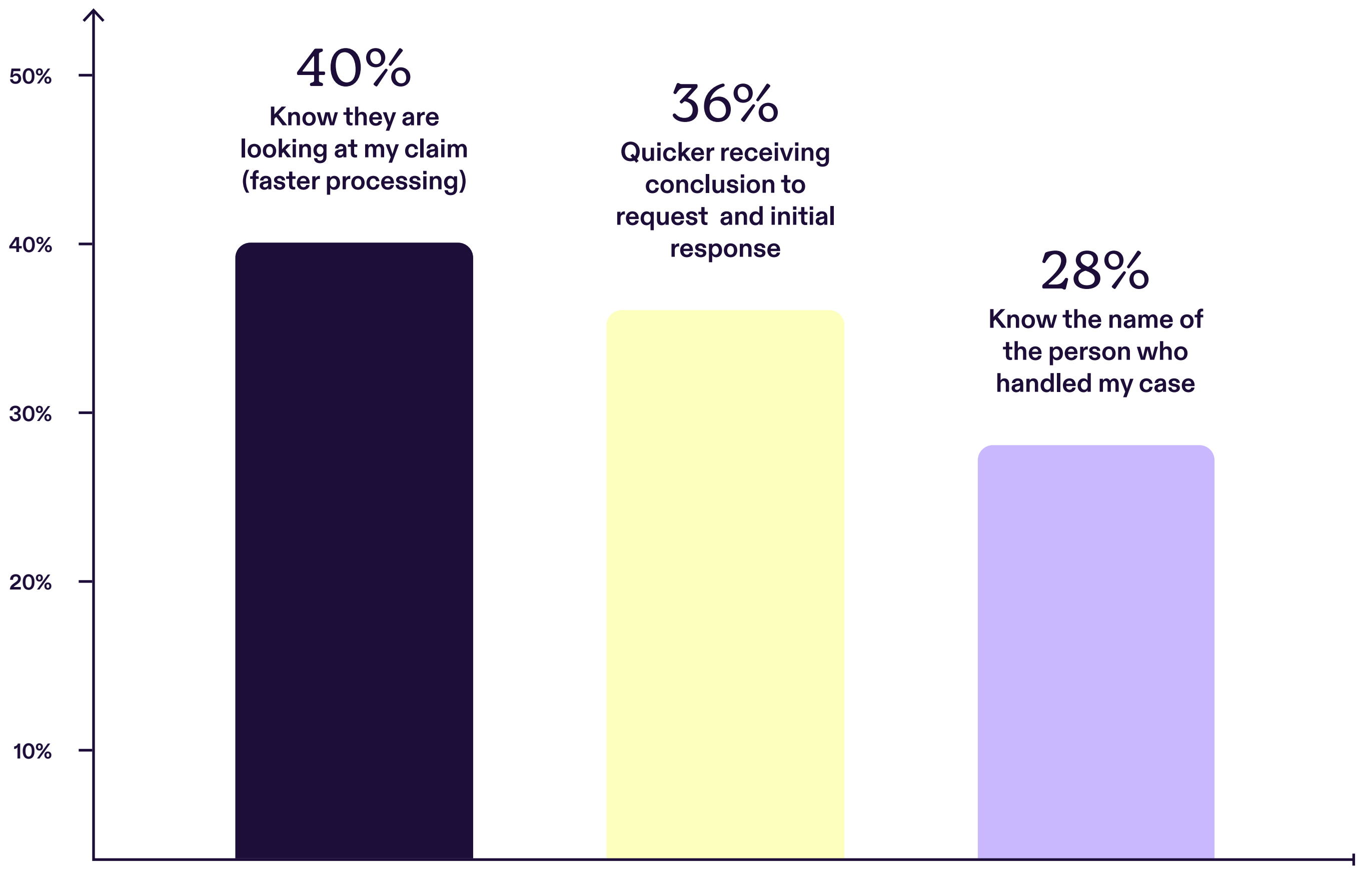
*** 64% Retail banking | 36% Insurance**

Implications:

- Inefficient software can slow down response time, leading to customer dissatisfaction.
- Agents might face frustration and reduced productivity.
- Longer processing time could lead to increased operational costs.

Consumers value quick processing. 40% feel written communication can be improved this way.

A significant number of consumers associate quick processing with better written communication. This could indicate that they feel current written communication is slow, ambiguous, or cumbersome. It also indicates a clear gap in the current infrastructure. While consumers are keen on receiving swift communication, agents need better tools to meet these demands.



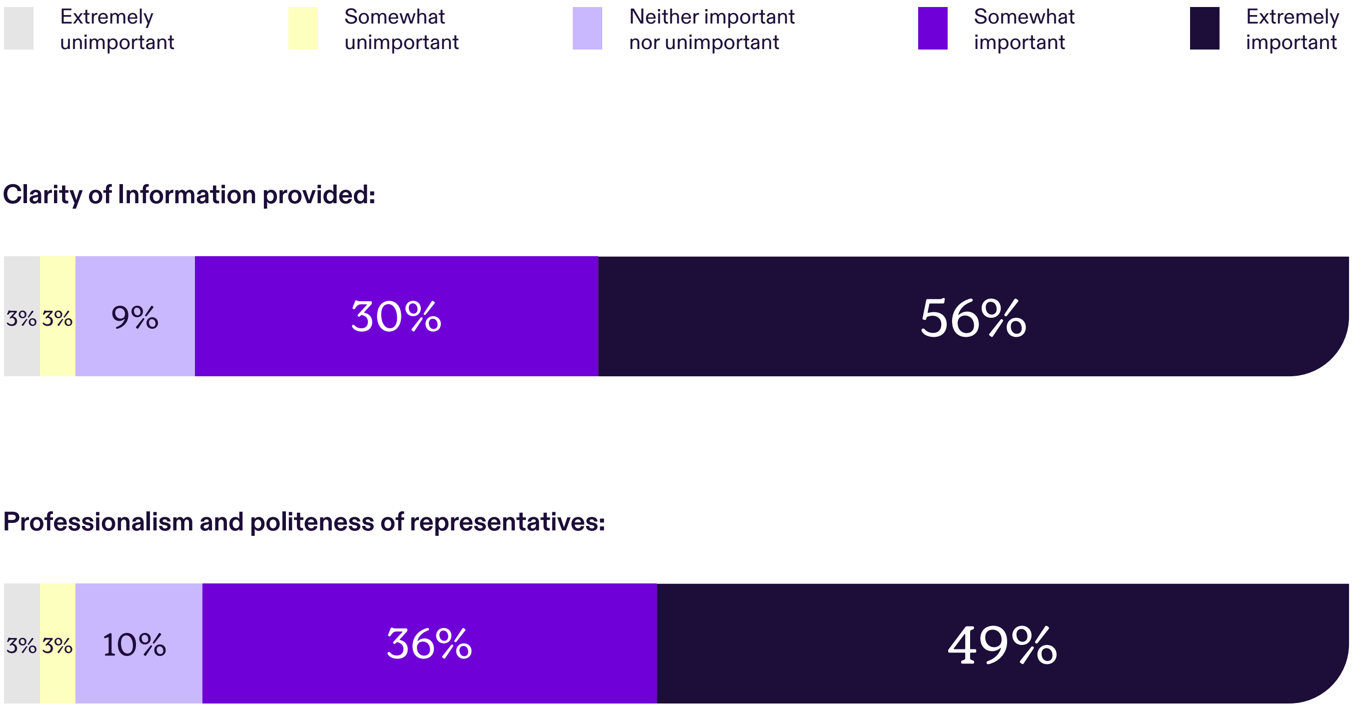
Implications:

- Consumers might lose confidence in the system if they continually face delays or unclear communication.
- Ambiguous communication can lead to errors and increased back-and-forth exchanges.
- Ultimately, this could reduce consumer trust and loyalty.

Quality Matters

Both clarity (86%) and professionalism (85%) strongly influence consumer satisfaction.

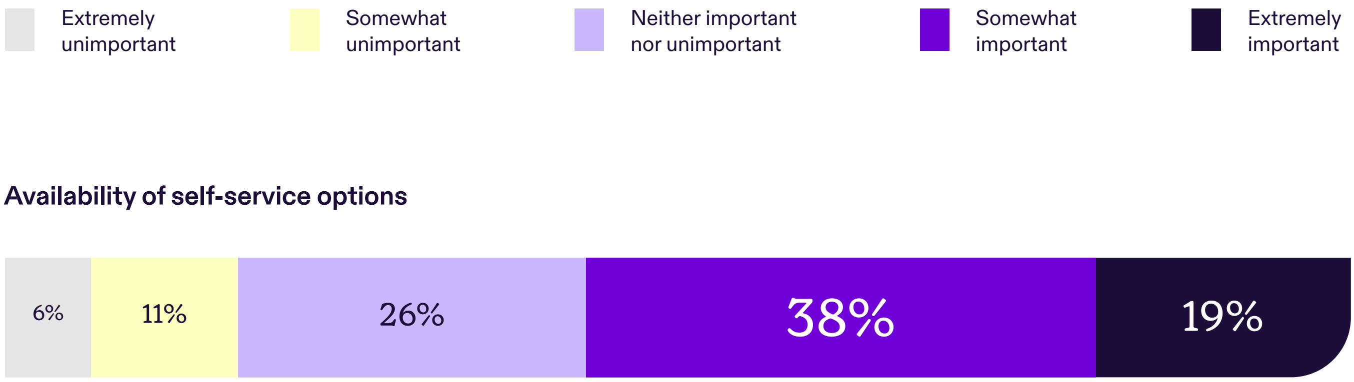
The significance of clear communication is undeniable, with 86% of consumers valuing clarity of information and 85% prioritizing professionalism. This underscores the importance of transparent communication and adherence to professional standards.



Implications:

- Consumers might be quick to lose trust or feel dissatisfied if they perceive any lack of clarity or professionalism in their interactions.
- With such a high percentage, even minor lapses in these areas can lead to significant reductions in overall consumer satisfaction.

43% of customers either don’t care or don’t think self-service option is an important factor in overall satisfaction.



Despite the growing trend towards digital transformation and self-service platforms, a significant portion of the customer base in the banking and insurance sectors appears to remain inclined towards traditional modes of communication and service. This reluctance or indifference towards self-service options suggest that these customers prefer more direct and personalized interactions, such as email communication or speaking with a representative.

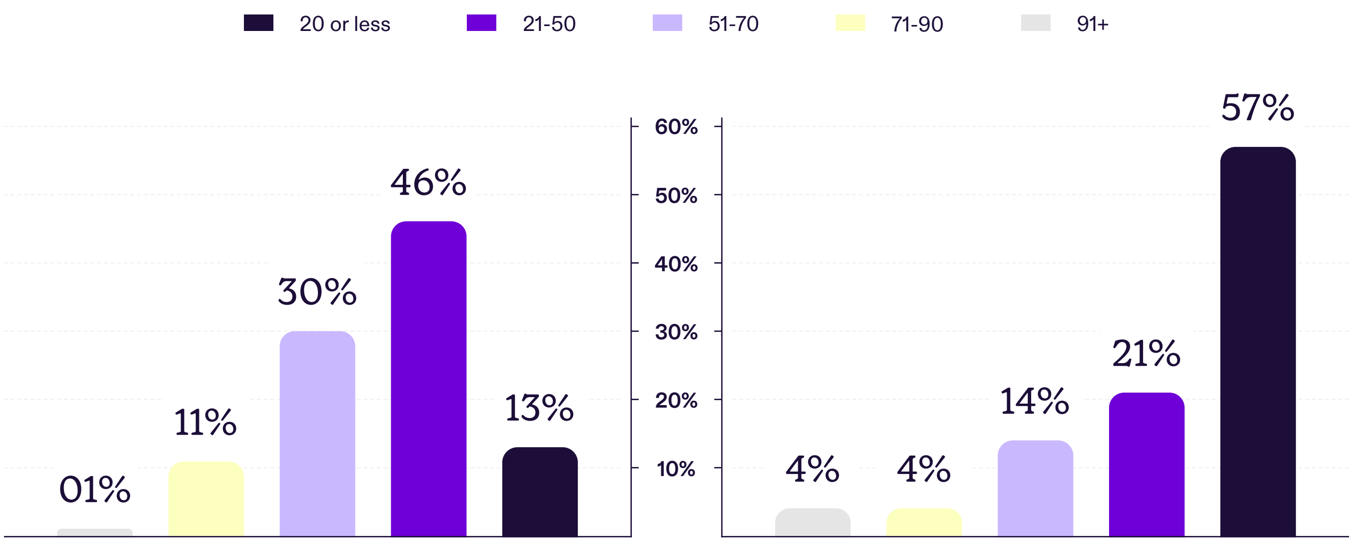
By streamlining traditional communication methods, such as improving the efficiency and responsiveness of email support or offering more personal touchpoints, companies can cater to the needs of this substantial segment of their clientele. Providing exceptional service through these preferred channels may also foster greater customer loyalty and satisfaction.

Implications:

- Traditional service channels like emails remain essential, necessitating investment in their efficiency and quality to meet customer preferences.
- There’s an opportunity for competitive differentiation by emphasizing personalized service, which could attract customers who are less inclined towards self-service options.

Claims Processing needs Streamlining

Industry average of claims/request processed each day



Banking and Finance | Median: 21-50

Insurance | Median: 20 or less

A majority of insurance adjustors, accounting for 57%, manage a workload of 20 or fewer claims each day, indicating a moderate pace of work. However, there is a group of 8% of these professionals, who report an exceptionally high volume, processing over 71 claims per day, which is significantly higher than the median number of claims processed each day.

In the realm of banking and finance, the majority of agents handle a higher bracket of requests, with 21-50 being the norm on an average day. Retail banking shows a concentrated trend where 65% of agents fall within this bracket, underscoring a consistent level of activity that stands out within the sector.

Implications:

- This shows that the insurance sector in particular might need support in streamlining claims processing due to higher volume or higher complexity of claims.
- Reduced claim processing speed can lead to backlog and delays, impacting consumer satisfaction negatively.

Automation and AI: A Beacon of Hope?

A significant 54% of consumers have engaged with chatbots from their banks or insurance providers.

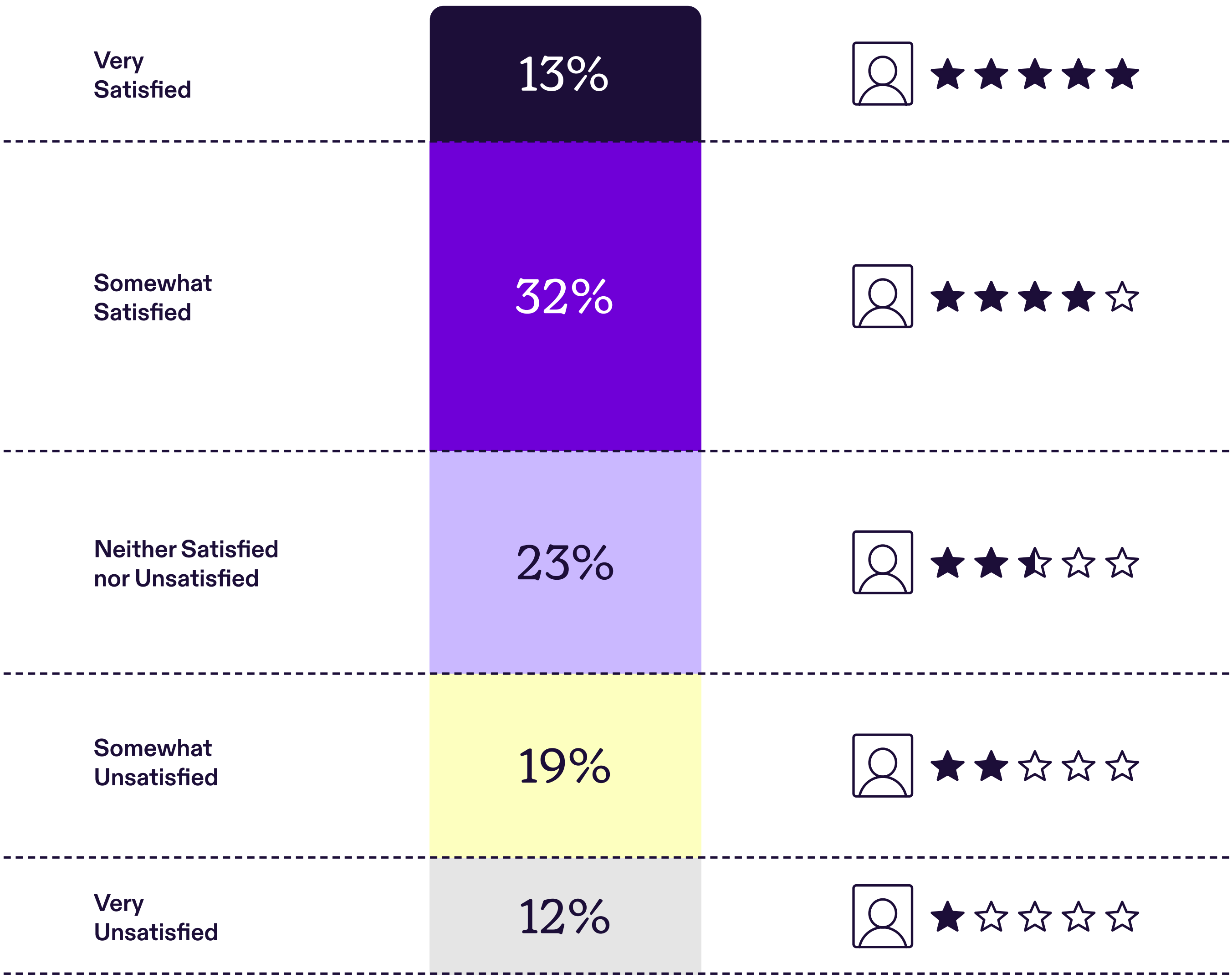
Over half of the consumers have interacted with chatbots when dealing with their banks or insurance providers. This indicates a substantial acceptance and integration of AI technologies in the financial and insurance sectors.

Implications:

- Consumers are becoming more tech-savvy and open to digital interactions.
- Businesses in these sectors are actively investing in chatbot technology to cater to client inquiries and tasks.

Yet, satisfaction levels with chatbot interactions at banks and insurance organizations remain at 45%.

Despite the notable engagement with chatbots, less than half of the consumers report being satisfied with these interactions. The moderate satisfaction rate indicates a need to transition from basic chatbots to more sophisticated, AI-driven interactive solutions that better understand and serve consumer needs. Hence, it cannot be the way forward, if companies want to remain competitive.

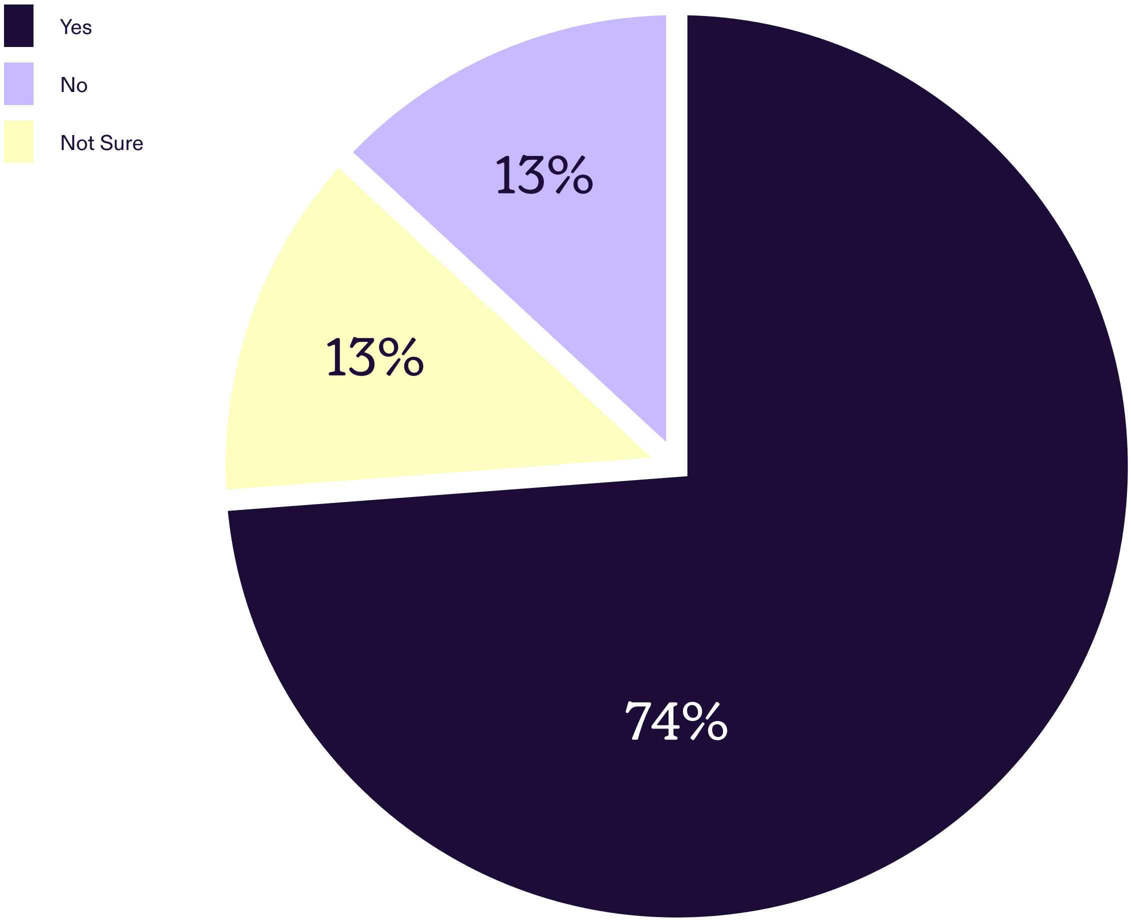


Implications:

- Current chatbot solutions might not be fully addressing consumer needs or expectations.
- There might be gaps in chatbot functionality or user experience that are affecting satisfaction levels.

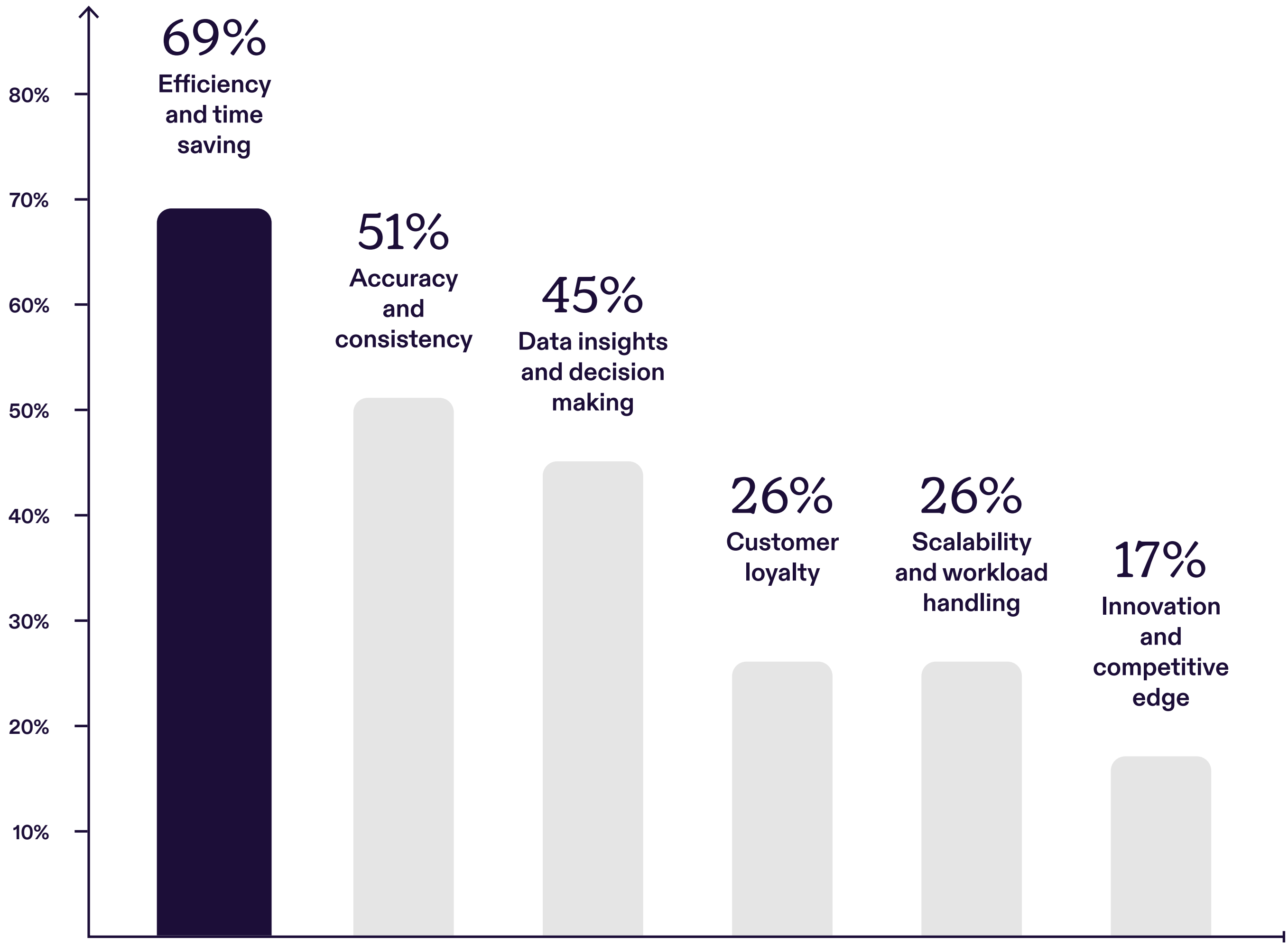
Interestingly, 74% of banking and insurance agents foresee AI as the game-changer, particularly for its promise in efficiency and time savings.

A significant proportion of agents see AI as a revolutionary force in banking and insurance. The primary allure of AI for 74% of agents is efficiency and time-saving capabilities (69%). This demonstrates an industry-wide appetite for solutions that can streamline operations, reduce manual tasks, and improve response times.



87% Financial advice/investment
48%* Investment banking

Reasons agents are open to AI Solution



Implications:

- Agents are recognizing the value and potential of AI in streamlining their work processes.
- There might be a demand or expectation among agents for organizations to implement AI solutions in the current processes.

AI: Today's Answer for Banking & Insurance

The data underscores a pressing demand for efficiency and improved communication within the banking and insurance processes. As the two sectors grapple with the dual challenges of efficiency and customer satisfaction, AI emerges as a potent ally. By embracing AI-driven solutions, the industries can not only address its current pain points but also redefine the very paradigm of customer support services, setting new benchmarks in service delivery and stakeholder engagement. The future of insurance and banking organizations is not just automated; it's intelligent.

Given the evident challenges in communication efficiency, claims processing, and consumer satisfaction with digital tools, AI presents itself as the linchpin. Predictive analytics, machine learning, and advanced automation are some of AI's tools that the sector can harness.

Agents' workload can be eased with AI-driven solutions, ensuring they handle more queries effectively. Meanwhile, consumers demanding faster and clearer communication can benefit from advanced AI solutions and automated response systems.

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Future work Today

Empowering businesses with AI-powered solution

For more information go to simplifai.ai or Contact us.

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