South African Insurance Sentiment Index

2022

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In collaboration with DataEQ

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DataEQ

Table of contents

Foreword

Consumers have not given up on expectations of quality, choice and service. What does that mean for the companies that serve them?

Consumers may have shown patience during the early days of the pandemic, as companies pivoted to new working conditions, disrupted supply chains and issues with capacity. But that patience seems to be wearing thin, according to our latest Global Consumer Insights Pulse Survey, which surveyed 9,069 consumers across 25 territories.

The good news? For companies that can manage multiple disruptions concurrently, there may be an opportunity in this era of seemingly perpetual upheaval. The insurance industry is no different. There are opportunities for South African insurers that are hyper-focused on meeting evolving consumer needs, modernising their architecture and building the workforce of the future. But to make the most of these opportunities, leaders need to be truly insight led.

Return on Experience, what we call ROX, is a holistic approach to understanding and increasing the value of a company's investments across customer experience (CX), employee experience (EX) and leadership experience (LX). It's an innovative way to rethink and redesign the dynamic impact that all three elements have on one another and on your brand. And it's one of the most effective and scalable ways to shape your company's future.

Social media is a powerful bellwether of consumer sentiment and incorporating these detailed and real time insights into the drivers of changing consumer sentiment will allow insurers to make better decisions. The report highlights areas of low-hanging fruit such as the need for communication and transparency in the end-to-end claims process, and the case for increased investment into digital experiences. The effects of which enable insurers to focus on creating an empathetic organisational culture that delivers high-touch, human engagements in the moments that matter.

It is also clear – now more than ever before – that South African organisations simply cannot afford to downplay the importance of environmental, social and governance (ESG) factors. Stakeholders – including consumers – increasingly expect organisations to communicate and deliver convincing, measurable and sustainable strategies that have embedded ESG matters.

At PwC we are focused on using an array of different insights to frame the correct problem statements and then co-creating, iterating and scaling exceptional experiences. We are delighted to partner with DataEQ again to provide a truly consumer-led lens to the 2022 Insurance Sentiment Index.

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Introduction

For the second consecutive year, PwC has partnered with data analytics company, DataEQ (formerly BrandsEye), to benchmark consumer sentiment on social media amongst 15 of South Africa's major insurers.

This year's index tracked over 470 000 public non-enterprise posts across Twitter, Hellopeter and other online sources for the period of 1 April 2021 – 31 March 2022. These posts were then processed using DataEQ's unique Crowd and AI technology.[1]

There has been a positive shift noted from the 2021 index, where industry trends were still largely being shaped by COVID-19 and the resulting lockdown. While undoubtedly a challenging time for insurers, this period of transition forced the industry to work differently – in some instances more efficiently – and highlighted existing cracks in operational systems that required attention.

With the spotlight having gradually moved away from COVID-19 related issues like business interruption and dread disease, this year saw a new wave of consumer conversation trends on social media that were driven by ESG factors.

While sustainability has long been on the radar of insurers, the growing prevalence of ESG-related topics in online consumer conversation – and the significant impact these topics have had on insurers' Net Sentiment – highlights a new frontier of consumer awareness.

Related to the governance arm of ESG, the index once again includes a dedicated analysis of insurers' adherence to the Financial Sector Conduct Authority's (FSCA) Treating Customers Fairly (TCF) regulatory framework. As customer centricity remains a pivotal component of market conduct policy and law, insurers are expected to demonstrate that they are providing fair outcomes for customers. This includes having the right setup and solutions to effectively manage and accurately report on their complaints – both on and off social media.

[1] The DataEQ Crowd is a proprietary crowd sourcing platform comprising a network of trained and vetted local language contributors. The full DataEQ methodology can be found in the Appendix.

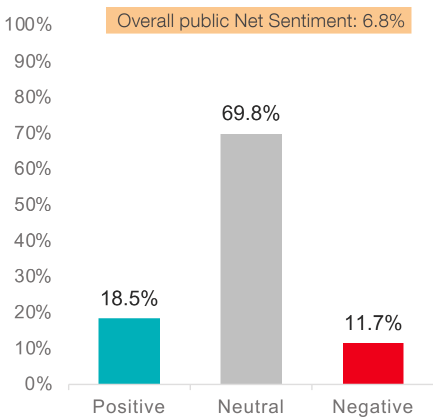
1 Industry overview

Industry overview

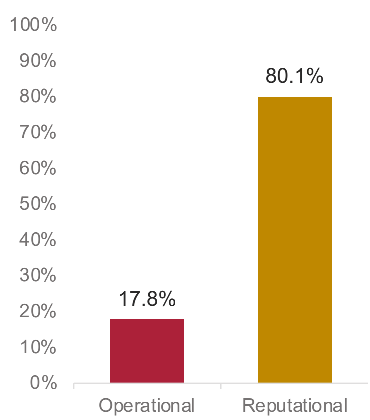
The South African insurance industry has seen an overall improvement in Net Sentiment, achieving a positive public score of 6.8%, compared with the 2021 Index score of -0.4%. This improvement is likely the result of a combination of factors.

There was more advanced campaign content – specifically praising brands – combined with a decrease in negative sentiment driven by fewer business interruption claims, as the country adapts to a post-COVID-19 normal. Furthermore, the practice of brands asking customers to leave positive service-related reviews on Hellopeter became more prevalent this year.

Industry sentiment distribution



Industry volume distribution

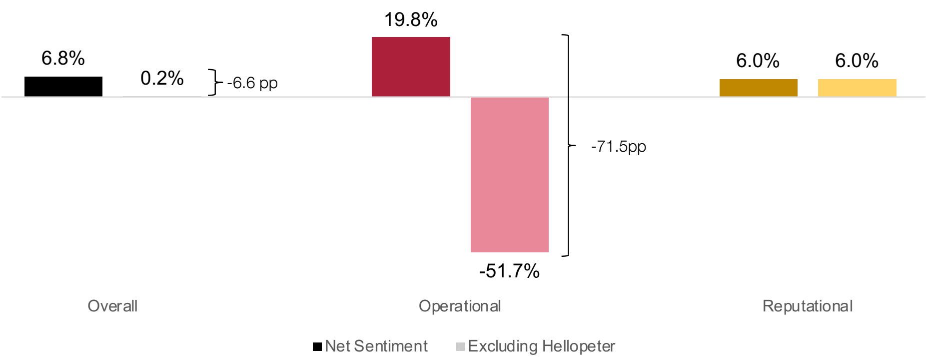


However, the bulk (69.8%) of the industry's mentions on social media were neutral in sentiment, coming largely from reputational conversation[2] such as competitions and sponsorships. As was the case in last year's Index, reputational conversation outweighed operational conversation[3] significantly, with less than a fifth (17.8%) of all mentions speaking directly to customer experience.

Hellopeter had a substantial positive impact industry-wide

Approximately 11% of this year's Index data was posted on Hellopeter, and when excluding Hellopeter data, industry Net Sentiment drops 6.6 percentage points. This is because operational conversation, which measured a Net Sentiment of 19.8%, was largely impacted by Hellopeter data.

Net Sentiment comparison



Enterprise mentions excluded, direct mentions excluded. Operational includes CX and excludes reshares. Reputational includes non-cx posts and non-cx reshares.

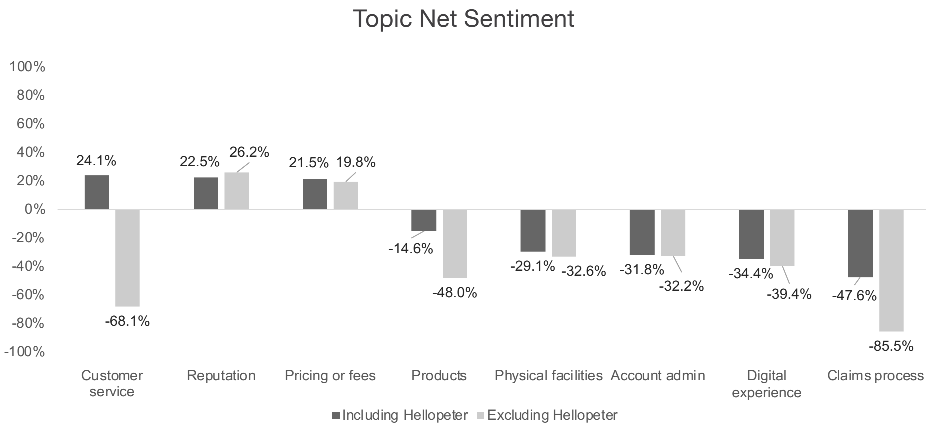
The Hellopeter platform is used specifically to rate service providers and therefore had a greater impact on operational conversation, which considers mentions from customers only. However, excluding Hellopeter data had a notable impact on overall Net Sentiment too, resulting in a drop from 6.8% to 0.2%.

[2] Reputational conversation is not related to customer experience, and therefore comprises posts that are relevant to PR, marketing, sponsorships, and general perceptions about an insurer. Reshares are not included.

[3] Operational conversation considers only unique consumer mentions where the consumer can be placed somewhere along the consumer experience journey.

Sentiment pertaining to customer service dropped significantly when excluding Hellopeter

When analysing all major conversation topics, Hellopeter data contributed largely to conversation around customer service for insurers, which is to be expected when considering the nature of the platform.



Enterprise mentions excluded, direct mentions excluded. Percentage contribution is relative to total mentions.

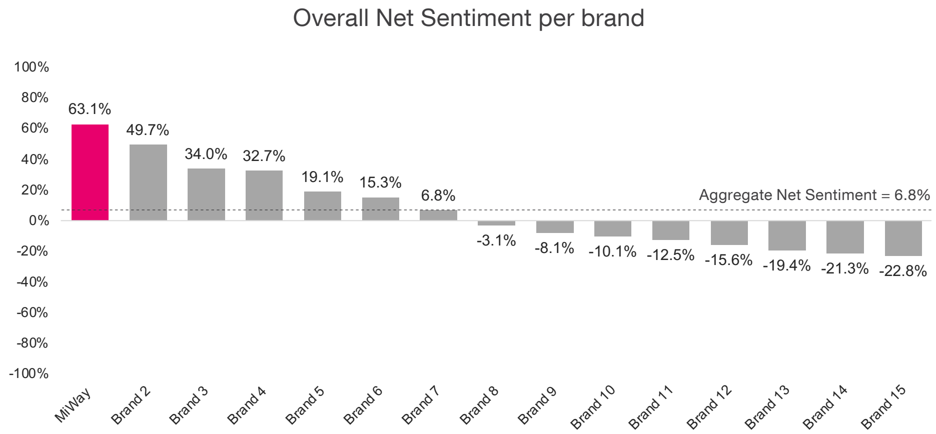
When excluding this data, Net Sentiment for customer service drops significantly from 24.1% to -68.1%, emphasising the positive impact that Hellopeter had on operational conversation across the industry.

Interesting to note is that the claims process had a high negative Net Sentiment with or without Hellopeter data. This highlights the claims process as an issue for the industry.

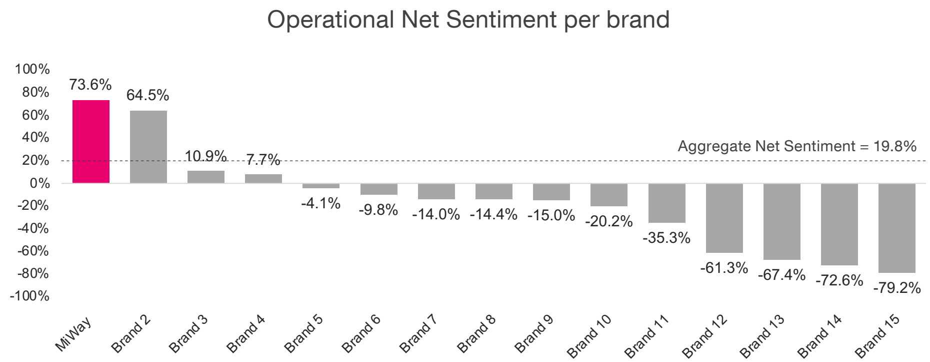
MiWay takes the lead in overall Net Sentiment

Out of the 15 insurance providers included in the index, MiWay obtained the highest Net Sentiment of 63.1% and was one of seven insurers to achieve a positive Net Sentiment.

Positive staff interactions was definitely a highlight for MiWay customers, with staff competency coming in as the top driver of positive sentiment.



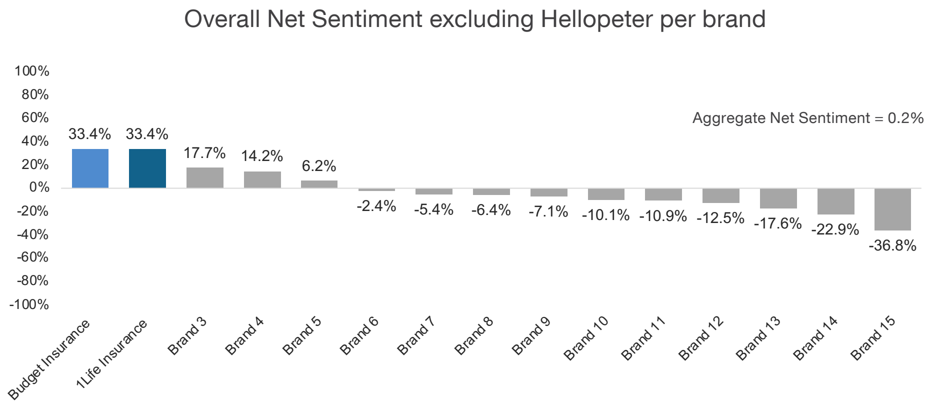
Almost all positive conversation for MiWay (95.6%) came from Hellopeter, proving that the platform is a prevalent source of positivity for the sector. In fact, the top two performing insurers obtained significantly high positive customer feedback from Hellopeter, which drove up operational Net Sentiment.



Enterprise mentions excluded, direct mentions excluded.

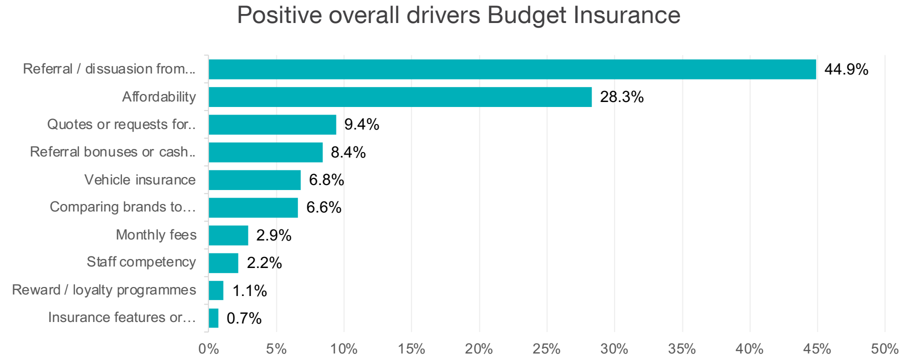
Overall rankings shift when excluding Hellopeter data

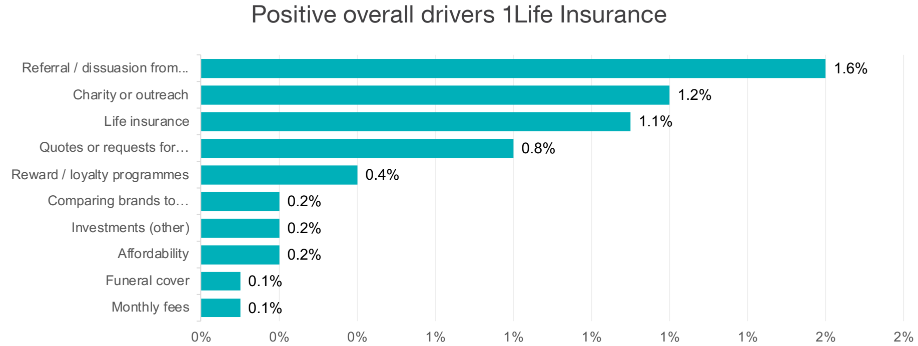
When excluding Hellopeter data, the overall rankings change significantly, which sees Budget Insurance and 1Life Insurance tied in the lead.



Budget Insurance leveraged influencer reach to drive positive referrals

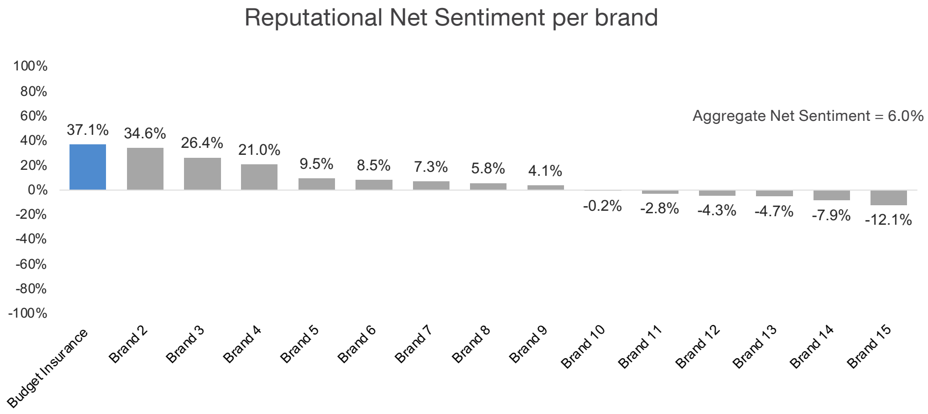
When looking at the positive drivers for Budget Insurance and 1Life Insurance, we see that a large portion of Budget Insurance's positive sentiment derives from campaigns leveraging influencers to promote switching to the insurer.





Budget Insurance topped reputational Net Sentiment

Reputational conversation measured an aggregate Net Sentiment of 6% across the industry, indicating more positivity than negativity. Much of this positive sentiment was driven by influencer-led campaigns.



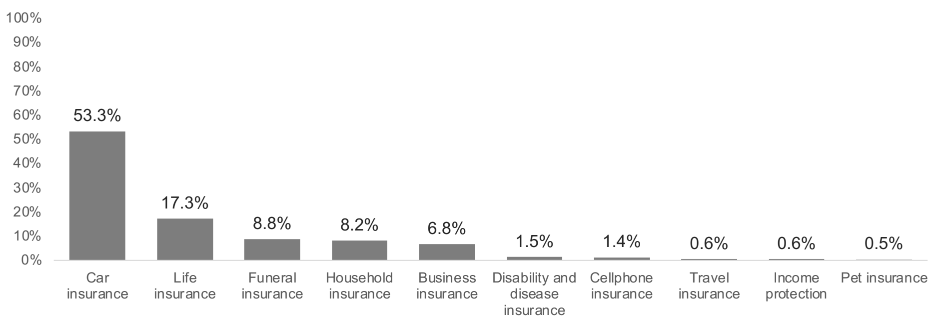
Budget Insurance's #DontBeeechSweech campaign drove positive sentiment under the topic of referrals. These posts often also referenced affordability through statements such as "Think about it, paying too much? Sweeech and save with Budget".

Brand ambassadors and consumers shared content around the campaign with some praising the humorous new advert. Other social media posts included the re-sharing of existing scripted content that pushes a specific customer message.

2 Product analysis

Car insurance remained the most discussed product

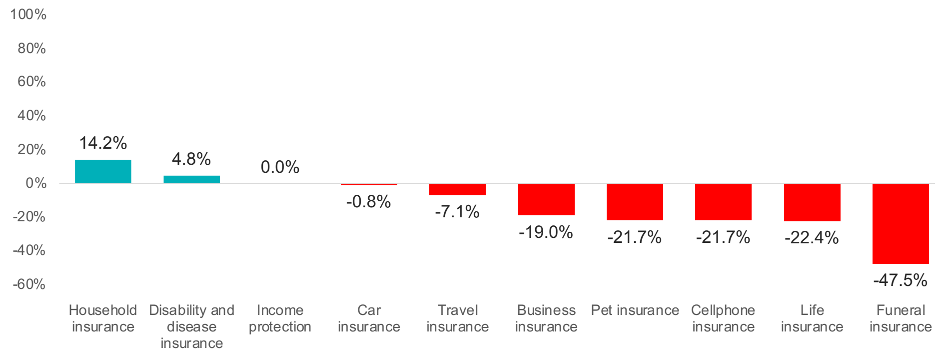
Car insurance made up the largest volume of conversation (53.3%) across the industry for the second year in a row. The most positively spoken about product was household insurance (14.2%), followed by disability insurance and income protection. Car insurance dropped from first place last year, to fourth in this year's Index according to Net Sentiment.



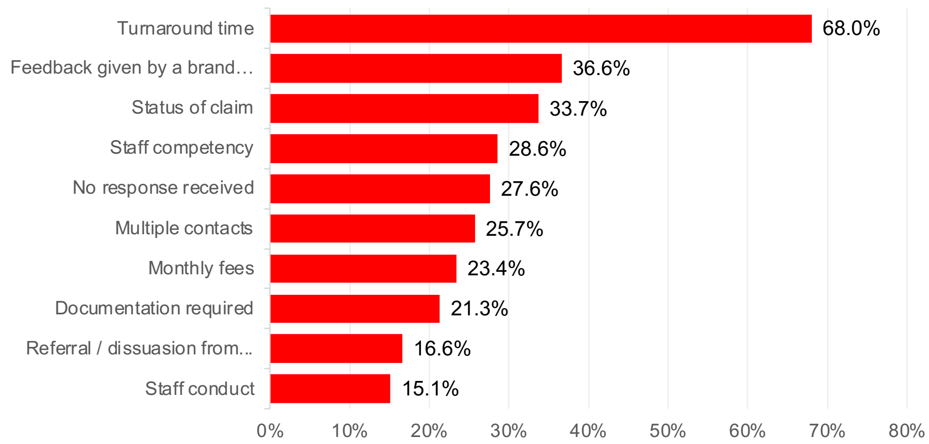
Enterprise mentions excluded, direct mentions excluded. Percentage contribution is relative to total insurance product mentions. Insurance product conversation surfaced through content matching.

Funeral cover scored lowest in Net Sentiment

For a second consecutive year, funeral cover remained the most negatively discussed insurance product, with a Net Sentiment score of -47.5%.



Slow turnaround times and delayed payouts remained major pain points for customers, who commonly cited issues around getting money in time to prepare and pay for funeral arrangements.



Funeral cover complaints centred around communication and claim payouts

Communication issues were also cited in complaints, with customers receiving delayed or no response to claims lodged, in addition to instances where claims were rejected.

S Risk

> I sent my funeral cover claim to [illegible] last week on Wednesday. A week later it still hasn't been paid out. Each time I call I get excuses that they can't get hold of my undertaker even after I've provided alternative numbers. When are we supposed to bury??
>
> 15th Dec 11:15 2

Service

> [illegible] It seems intuitive that [illegible] would try to communicate with me before unilaterally cancelling my policy. Please send me proof of communication with me. I still had an [illegible] debit order coming off my account and I had no way of knowing that the funeral had been excluded.
>
> 9th Mar 10:03 1

S C Risk

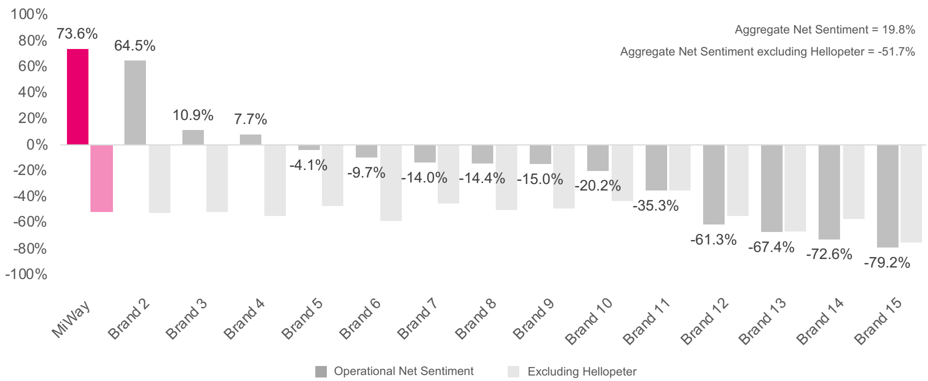
> [illegible] is refusing to pay the funeral cover payout, their assessors are taking forever to process things and I am not sure if they want to see the actual body now for them to approve things. You have put my partner through unnecessary stress and trauma. I...
>
> 19th Jan 10:02

3 Operational analysis

MiWay leveraged Hellopeter compliments

When looking at operational Net Sentiment for each insurer both with and without Hellopeter data, we see just how heavily this year's top-performer, MiWay, leveraged Hellopeter for positive customer feedback. This was particularly true for conversations around staff competency and staff conduct, which shows how customers use the platform for staff praise.

Operational Net Sentiment per brand

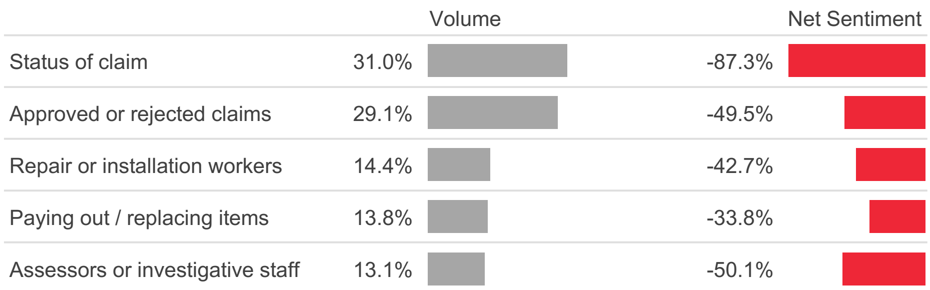


Enterprise mentions excluded, direct mentions excluded. Percentage contribution is relative to total mentions.

The claims process remains a pain point

While the Net Sentiment for claims across the industry did improve from last year's index, this remains an area of customer concern and a pain point in the client journey. The main driver for this improvement was a reduction in COVID-19 and business interruption related complaints.

Claims child topic size and Net Sentiment



Enterprise mentions excluded, direct mentions excluded. Operational view of claims excludes reshares and considers unique consumer mentions only.

Mirroring last year's results, the biggest area of concern was the topic of claim status, which speaks to the issue of client engagement and the lengthy process that needs to be followed when undertaking a claim.

Customer accusations against insurers regarding the claims process

Using loopholes

Service

Hate it when insurance companies do this. They literally try so hard to find a loophole and then tell you it's a policy. Absolutely disgusting behaviour tbh.

7th Sep 09:50

S Risk

Absolutely true. will exploit every loophole and every technicality to ensure they do not payout claims. Their main aim to make as much money out of you as possible and don't you dare claim because then they will discard you as a client! Thugs!

16th Oct 23:58 3

Giving customers the runaround

S Risk

We have lost a loved one and death claims are giving us a run around being told all the time its being paid we are in the critical list however ita been months. (2 star)

29th Jul 10:04

Service

We buried my father with a loan while given the run around by after days of submitting documents during the preparation of my father's funeral and it was only the week after the funeral when they paid out but after submitting the same documents...

1st Oct 20:27

Sending customers from pillar to post

Service

: I have claimed funeral cover that passed Saturday and every time I'm sent from pillar to post with lies and empty promises.

2nd Nov 11:44 1

S Risk

I literally had to go cause a scene at their centurion building after 3 months them sending me from pillar to post in order for them to pay for my car to be fixed, having been crashed into by their client. You take the filthy trophy

9 Jul 2021 17:55

Chasing insurers for feedback

S Risk

Horrible service. My family and I have been chasing them for claim we logged over three weeks ago..They don't respond to emails, when we call they either make us hold for hours or promise to "escalate" or give misleading information and oh they also lie...

25th Oct 10:38

S Risk

as a long standing client I am very unimpressed with the level of service I am receiving from your team. Please can someone contact me. Why must I chase you for a simple tyre claim..you oversold so much .

10th Mar 18:48 1

PwC insight: Communication in the claims process can be a low-hanging fruit

Low-touch engagements in the claims journey can be automated to reduce turnaround times and easily visualise the status of a customer's claim. Globally, there is an increase in investment into the use of artifical intelligence and advanced analytics as the market size for frontier technologies is estimated to reach an exponential US$3,200bn by 2025.[5]

"In a world in which trust in businesses and governments is declining, trust in financial institutions is near an all-time low. According to the 2022 Edelman Trust Barometer, only 54% of respondents trust the financial services industry, 10 percentage points lower than the average for other industries in the report."[4]

Although the industry saw a general improvement in Net Sentiment, when reviewing the end to end customer experience, consumers believe there is a lack of transparency and communication in the claims process journey. A problematic discourse indicates a growing distrust of the industry as consumers cited what they perceived as purposeful delays and loopholes in payouts. These conversations were associated with cancellations and threats to take the insurer to the ombudsman.

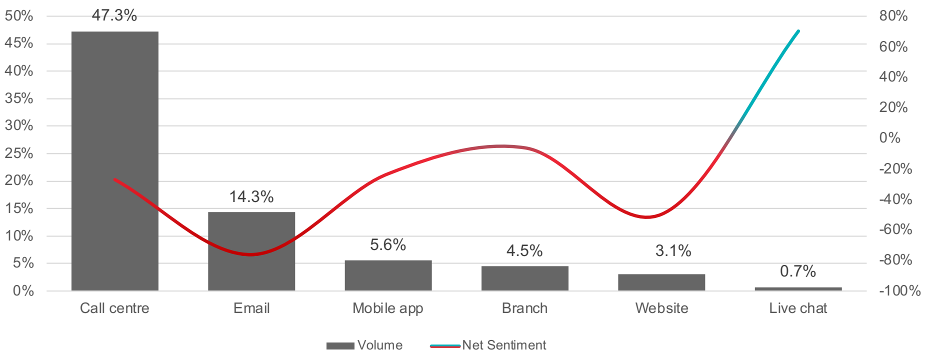
The 2021 and 2022 dataset points to a growing necessity of ensuring clients are kept up to date on their claim status. An effort to increase the visibility of where they are in the journey and informed of any delays in the processing of these claims will significantly reduce frustration and the development of negative sentiment towards the insurer. Embedding this customer engagement framework would enable improved overall customer satisfaction.

[4] PwC Insurance 2025 and Beyond

[5] PwC Market Research Centre, United Nations Conference on Trade and Development

Customers' preferred channels offering immediate feedback

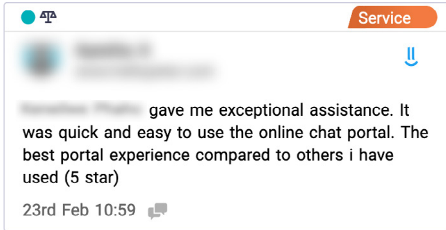
Channel conversation proportion and Net Sentiment

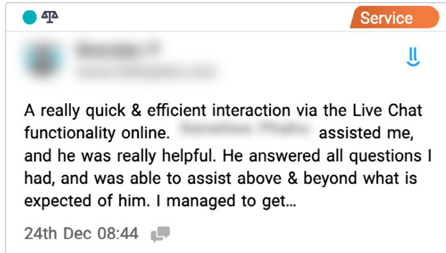


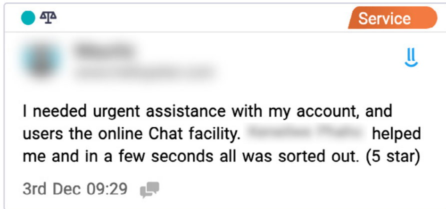
Enterprise mentions excluded, direct mentions excluded.

Out of all communication channels, live chat was the only channel to receive a positive Net Sentiment, and this was largely driven by compliments on Hellopeter.

All other communication channels were discussed negatively (as indicated by a negative Net Sentiment score), with turnaround time cited as the main issue in complaints.







Email proved problematic as a communication channel, obtaining the lowest Net Sentiment and the second-largest share of voice. Complaints about emails suggest that customers don't get the level of feedback they require and expect, with some receiving an automated response stating an estimated time frame on a reply, and then not receiving a reply within that stated time frame.

Despite improvement, digital experience still indicates negativity

While Net Sentiment for digital experience improved since last year, this is an area that still requires attention from insurers.

Digital experience child topic size and Net Sentiment

	Volume	Net Sentiment
Speed or responsiveness of platform	18.4%	- 80.6%
Platform navigation (digital experience / UX / UI)	16.0%	- 56.4%
Login process	2.9%	- 83.3%
Ease of use	2.5%	- 45.6%
Customer digital security	2.5%	- 91.7%

Enterprise mentions excluded, direct mentions excluded.
Operational view of claims excludes reshares and considers unique consumer mentions only

Speed or responsiveness of platform had the the largest share of voice and the third-lowest Net Sentiment. This topic is a common complaint regarding digital platforms. Although customer digital security was not referenced frequently it was the most negative topic and is an important aspect of creating trust with consumers.

PwC insight: Seamless digital experience is table-stakes

Digital innovation and adoption continues to reshape the way in which consumers expect to engage with organisations and are often set by their interactions with leading brands across all industries.

The dataset indicates insurance customers are faced with barriers in executing certain tasks, with the login process and speed or responsiveness of the platform amongst the most negative. High volumes of negativity toward the more traditional email and call centre channels presents opportunities for insurers to rethink their digital platforms. The App and live chat functionality can deliver a better user experience and are designed for self service capabilities which reduces call centre volumes.

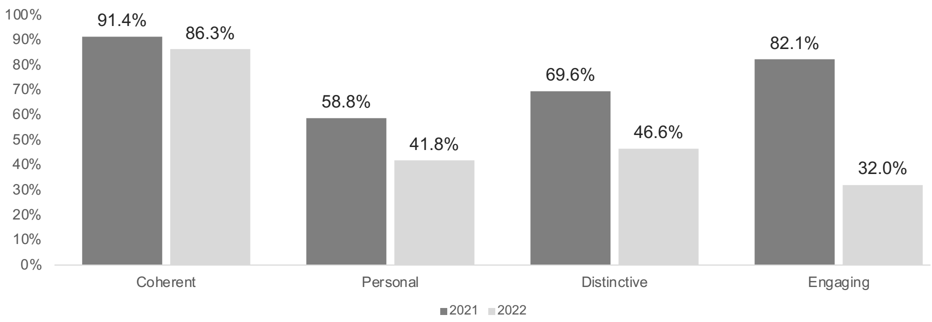
The digital nice-to-haves have become prerequisites for how consumers buy, consume and engage with insurers. Leveraging consumer feedback and understanding friction points in existing processes ensures the digital experience is built and centred around seamless customer journeys and desires. The co-creation of these experiences with customers is an investment into more sustainable relationships for both. Additionally, the automation of routine simple tasks through these channels frees up capacity for engagements that require hi-human touch.

Coherent experiences drove conversation, but engagement drove positivity

PwC believes that an experience needs to deliver on four key dimensions to drive growth:

- **Coherent** – connected, effortless and effective
- **Engaging** – multisensory and emotionally considered
- **Personal** – anticipatory, inclusive, tailored and rewarding
- **Distinctive** – differentiated, relevant, memorable and purposeful

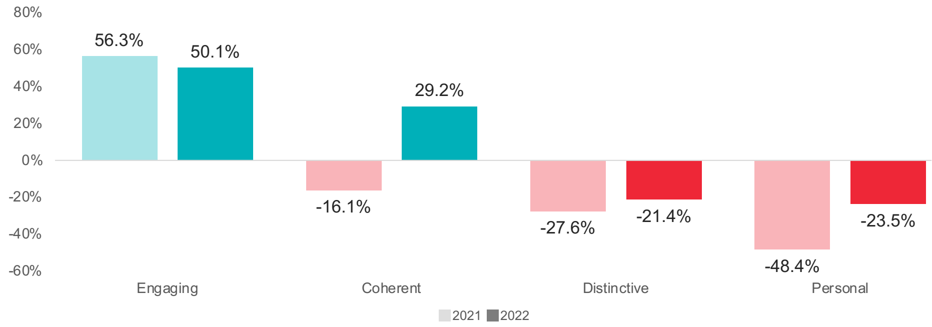
Proportion of customer experience conversation per category



The PwC customer experience model was mapped according to DataEQ's child topics.
Only customer experience mentions were included – this excludes reshares or enterprise mentions

When mapping these dimensions against Net Sentiment for the industry, the lack of Personal experiences was highlighted as the biggest drawback for consumers, followed by Distinctive experiences. Engaging experiences drove the highest positivity for the industry again, however Coherent experience saw the largest marked improvement and resulted in a positive Net Sentiment of 29.2%.

Proportion of customer experience conversation per category



Staff played a role in ensuring a coherent and engaging customer experience as a key theme this year was the positivity generated from staff interactions and engagement as competency, feedback from a brand representative, conduct and management were amongst the most mentioned. This included references to quick turnaround times. While customers often compared brands to one another in terms of their offering and pricing.

What drove customer experience compliments?

Category	Co-occurring topic	% of total conversation
Coherent	Staff competency	98.0%
	Turnaround time	27.7%
	Management/ supervisors	1.5%
Personal	Feedback from a brand representative	71.4%
	Affordability	16.1%
	Monthly fees	10.7%

Category	Co-occurring topic	% of total conversation
Distinctive	Life insurance	40.3%
	Comparing brands	37.7%
	Funeral cover	19.5%
Engaging	Staff conduct	95.9%
	Referral/ dissuasion	7.6%
	Charity or outreach program	2.8%

The above tables show 3 main topics co-occurring with positive customer experience conversation.

Interestingly, topics that were the most positively mentioned within each dimension also saw the most negativity as consumers cited staff competency, feedback from a brand representative and conduct, suggesting a lack of consistency in consumer interaction.

Turnaround time, multiple contacts, no response received and status of a claim are those of the most consistently referenced as drivers of a negative experience. Visibility and communication in a consumer's journey, whether it be for a claim payout, onboarding or service related is critical to fostering a more trusted and sustainable relationship with customers.

What drove customer experience complaints?

Category	Co-occurring topic	% of total conversation
Coherent	Turnaround time	82.4%
	Staff competency	54.4%
	Multiple contacts	23.8%
Personal	Feedback from a brand representative	41.9%
	No response received	39.0%
	Status of claim	27.1%

Category	Co-occurring topic	% of total conversation
Distinctive	Spam or unsolicited contact	35.5%
	Life insurance	25.1%
	Funeral cover	18.5%
Engaging	Staff conduct	79.2%
	Referral/ dissuasion	40.0%
	Bot or automated response	3.1%

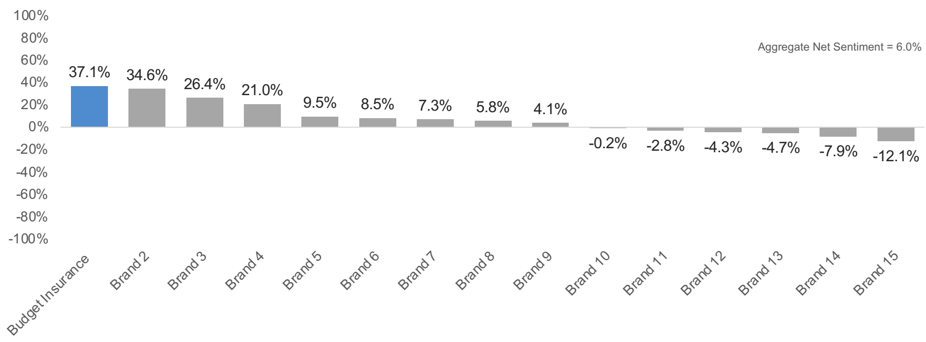
The above tables show 3 main topics co-occurring with negative customer experience conversation.

Consumers are placing more of an emphasis on expectations toward experience in all parts of the journey, for example coherent and personal experiences in the sales engagement process, or an engaging and coherent experience when in a service interaction. As technology evolves globally, consumers are increasingly looking for empathetic staff that truly put the customer's needs at the heart of their process.

4 Reputational analysis

As noted under the Industry Overview, Budget Insurance had the highest reputational Net Sentiment. Campaigns were commonly used to boost reputational Net Sentiment, sometimes including overt praise for an insurer or its product.

Reputational Net Sentiment per brand



Enterprise mentions excluded, direct mentions excluded.

Insurance campaigns designed to boost referrals

These campaigns were often linked to social causes, and utilised social media influencers to promote the brand.

Child topic distribution and sentiment

	Volume	Net Sentiment
Referral / dissuasion from one consumer to another	14.9%	57.3%
Charity or outreach program	14.8%	98.3%
Affordability	5.2%	71.1%
Comparing brands to brands / industries / internally	3.2%	30.8%
Quotes or requests for quotes	2.8%	93.4%
How a company treats its staff	2.6%	- 90.7%
Vehicle insurance	2.4%	16.7%
Life insurance	1.7%	- 28.9%
Insurance features or coverage	1.4%	- 36.7%

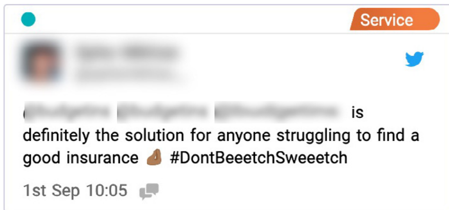
Child topic distribution and sentiment excluding major campaigns

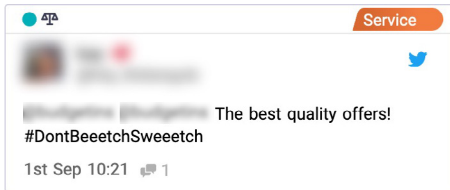
	Volume	Net Sentiment
Referral / dissuasion from one consumer to another	11.5%	- 1.4%
Charity or outreach program	6.8%	93.3%
How a company treats its staff	4.7%	- 90.7%
Comparing brands to brands / industries / internally	4.3%	4.1%
Vehicle insurance	4.2%	12.7%
Quotes or requests for quotes	3.8%	91.2%
Affordability	3.0%	9.3%
Life insurance	2.7%	- 48.8%
Insurance features or coverage	2.5%	- 44.2%

The graph on the left has no exclusions while the graph above excludes the four biggest campaigns in volume for each insurer. The biggest topic in both charts was referral or dissuasion from one customer to another. Due to the nature of campaigns this conversation was not all a reflection of real customer referrals. Much of this topic comprised of influencers and consumers sharing content that promotes an insurer (whether it's their service, a campaign or competition).

	#DontBeeechSweeech	#KotaKing	#GivingOnABudget	#BudgetYourDezemba
Volume	4 214	3 407	3 205	2 721
Authors	162	659	526	526
Net Sentiment	99.0%	24.4%	34.5%	25.8%

Enterprise mentions included for volume. Only sentiment-bearing mentions considered for topics. Major campaign conversation surfaced through content matching.





PwC insight: South African business cannot succeed if society fails

"As stakeholders demand more action, authenticity and accountability from financial institutions, insurers have a long way to go to establish their ESG credentials and make them a part of their purpose. To embed ESG deeply into the culture and values of the organisation and communicate that priority successfully to customers, insurers must demonstrate how ESG has a tangible impact for clients and helps accelerate positive outcomes for wider society." [6]

Insurers received large conversation volumes toward campaigns that drove social initiatives such as women empowerment and socioeconomic uplift. While these conversations saw high levels of positivity, consumers mounted pressure on insurers on what they perceived to be driving initiatives that resulted in unfair social impact and potentially damaging climate change. This suggests a growing awareness of ESG related trends in a forum in which consumers will utilise to drive those agendas.

PwC's Insurance 2025 and Beyond highlights the four critical ways in which to embed ESG in the organisation's core –

- Engage leadership and middle management to drive the education, awareness and understanding of the importance of ESG priorities, and how the workforce contributes to that.
- As societal issues grow and become increasingly more complex, a clear stance should be transparent, consistent and embedded in the core values of the organisation. Invest in the public– private partnerships needed to solve these complex issues.
- Core capabilities and business strategies should be ESG-enabled for future sustainability, with accountability frameworks and reported metrics – from processes to workforce management to consumer interaction.
- The organisation's ESG aspirations, actions and results should be transparent and measured for all internal and external stakeholders to align with their commitments to real, lasting change.

Embedding the Sustainability aspect in the organisation's DNA is critical – consumers will easily see and call out greenwashing.

[6] PwC Insurance 2025 and Beyond

ESG topics drove trends in Net Sentiment

Insurers that performed particularly poorly in reputational Net Sentiment were impacted by various ESG related matters, such as employing mandatory staff vaccines. On the other side of the coin, some insurers' reputational Net Sentiment benefited from showing a high level of ESG consciousness. Examples of this came from campaigns supporting social causes such as female empowerment and taking a stand against gender-based violence.

Environmental

Shell's partners in South Africa include , , and . Have any of them said anything about Shell's plans to destroy the Wild Coast and our marine life, or are they conveniently staying quiet? #ShellOuts

1st Dec 18:47 271

We're thrilled to be partnering with to make a wonderful community greening vision a reality. For #InternationalDayOfForests2022, planted 1500 trees in Zwelitsha in the Eastern Cape: bit.ly/3Deh4dN #LetsGreenTheEC t.co/2H8gsURpei

25th Mar 11:07 1

Social

Thank you for giving back to the youth and also standing up to gender based violence nangomso guys 🙏#STANDUPTOGBV ditto.fm/mybodystandup

9 Jun 2021 11:22 10

wants to close the scarce skills gap in Agriculture Crop insurance by growing talented students organically through vacation work and practical exposure in underwriting, sales and relationship management. #IISA #InsuranceZA #CorporatePartners

1st Oct 10:28 1

Governance

have mandated this vaccine, and are happy to fire the ones who refuse, as a result our unemployment rate is going to sky rocket. Well done

15th Dec 09:15 1

Tell us about your offspring, & disobeying court order to pay Moyo his millions? What about refusing to pay Makate his millions after a court order? Then what F...K do you mean no-one is above the law? Stop us..pls

8 Jul 2021 11:47

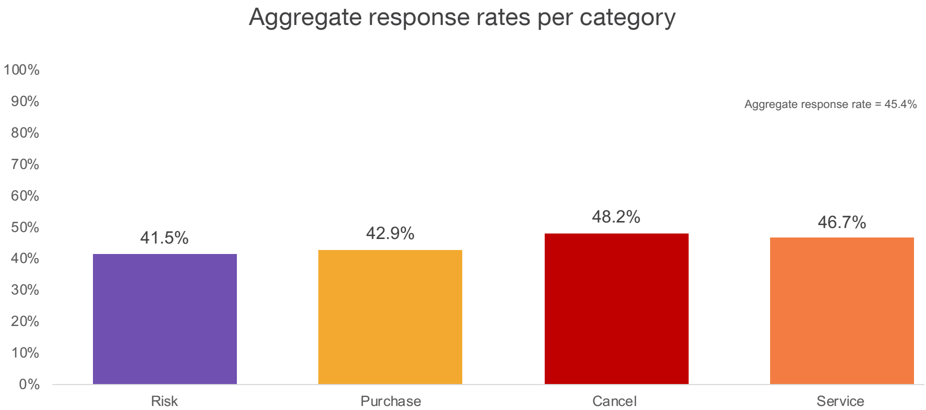
5 Customer service: priority conversation analysis

Less than a quarter (17.5%) of social media mentions in the insurance industry were considered ‘priority conversation’. This term applies to mentions that posed a risk or consisted of a service-related matter; an acquisition opportunity; or a cancellation threat – all of which should be reviewed by the brand and responded to when deemed necessary.

This means the majority (82.5%) of online conversation about insurers was noise for customer service teams, hindering their ability to prioritise the mentions which could warrant a reply.

Over 55% of priority conversation went unanswered

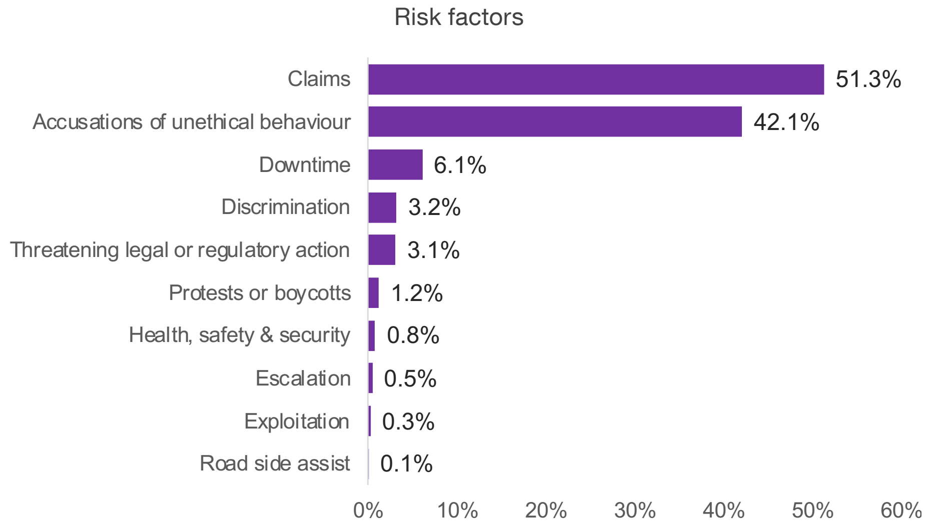
Despite the large volume of online noise, an average of 45.4% of priority conversation on Twitter did receive a brand response.



Intent to Cancel mentions had the highest response rate of 48.2%, while risk mentions had the lowest rate of 41.5%. It stands to reason that risk mentions would receive the least brand replies as many times the proposed best strategy during a PR crisis is to let the dust settle. This may also be part of brand policy considerations.

The claims process was a key risk factor

Risk mentions come from customers and non-customers. They speak to actual customer experiences but also speak to reputational comments that aren’t necessarily from a customer.



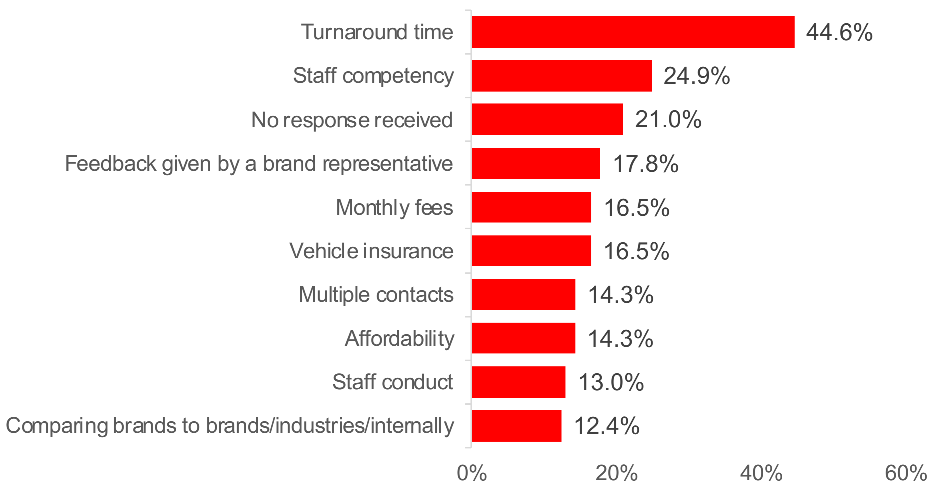
The claims process has previously been cited as an issue in the report but here it is highlighted as a reputational risk for insurers. Claims represent a pivotal point for insurers, as this is one of the few times customers have to contact their insurance provider, given their often limited interaction otherwise.

The second-largest risk factor was accusations of unethical behaviour, which highlights a possible link to the aforementioned issues surrounding claims. Specifically, when consumers are not kept informed during the claims process, and their claims are not paid out as they expect it to be, this breaks down the level of trust and raises concerns around whether the insurer is perceived to be acting in good faith.

Slow turnaround drove cancellation requests

Turnaround time has already been pinpointed as an issue in the report. It is an area for definite improvement in the customer experience, as it seemingly serves as the final trigger in making customers want to end their relationship with an insurer. Customers complained about slow turnaround times across different insurance products, companies and communication platforms.

Topics driving cancel conversation

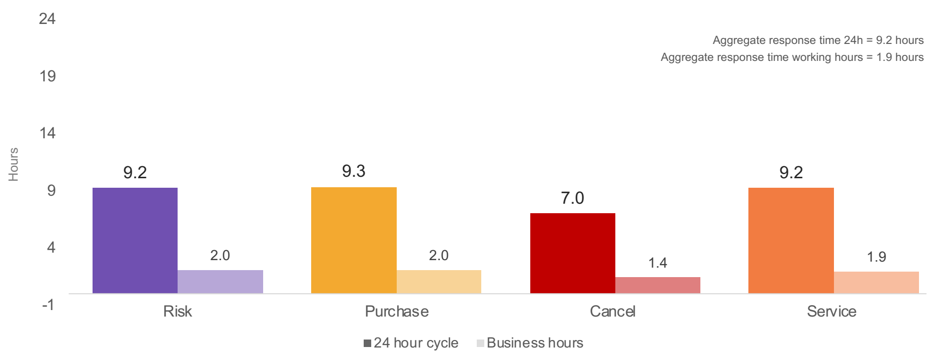


Turnaround time complaints often relate to communications such as requests and complaint resolution – both of which commonly take place on social media. This highlights that social media isn't just a platform to complain, but is also used as a communication channel. Increasingly, social channels are being used as a last resort form of communication, when traditional channels like email and call centres do not yield the required result.

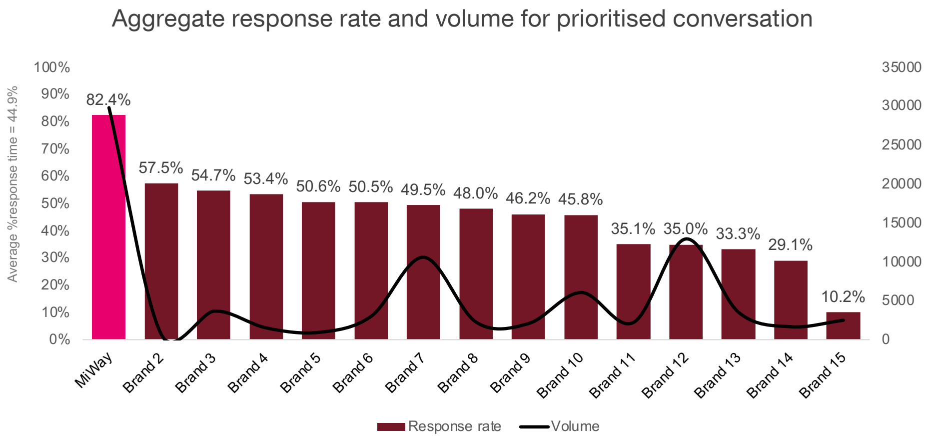
Insurers took over nine hours on average to reply to priority mentions

On average, insurers responded most promptly to cancel mentions and took the longest to reply to purchase mentions. It is important to note that the aggregate response time decreased to just under two hours when only looking at working hours.

Aggregate response time per category

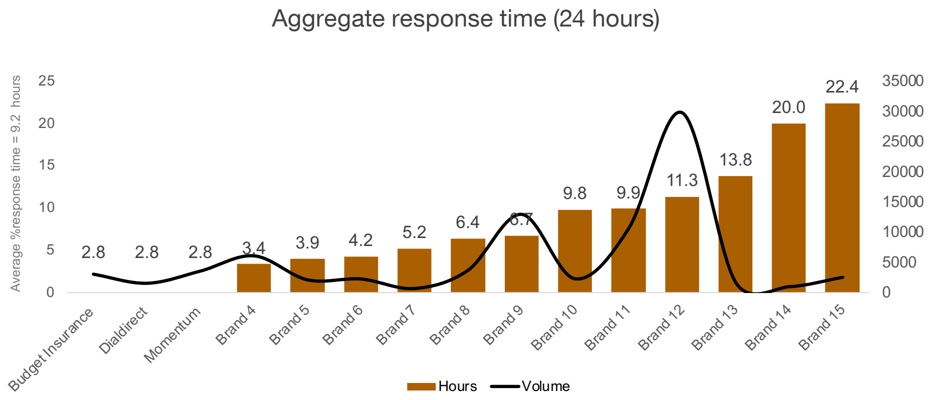


MiWay had the best average response rate



Response rate is affected by different variables, such as the number of mentions, the nature of mentions, and the number of agents working. Despite having the largest volume of prioritised conversation, MiWay responded to 82.4% of prioritised posts.

Three insurers tied for the quickest average response time



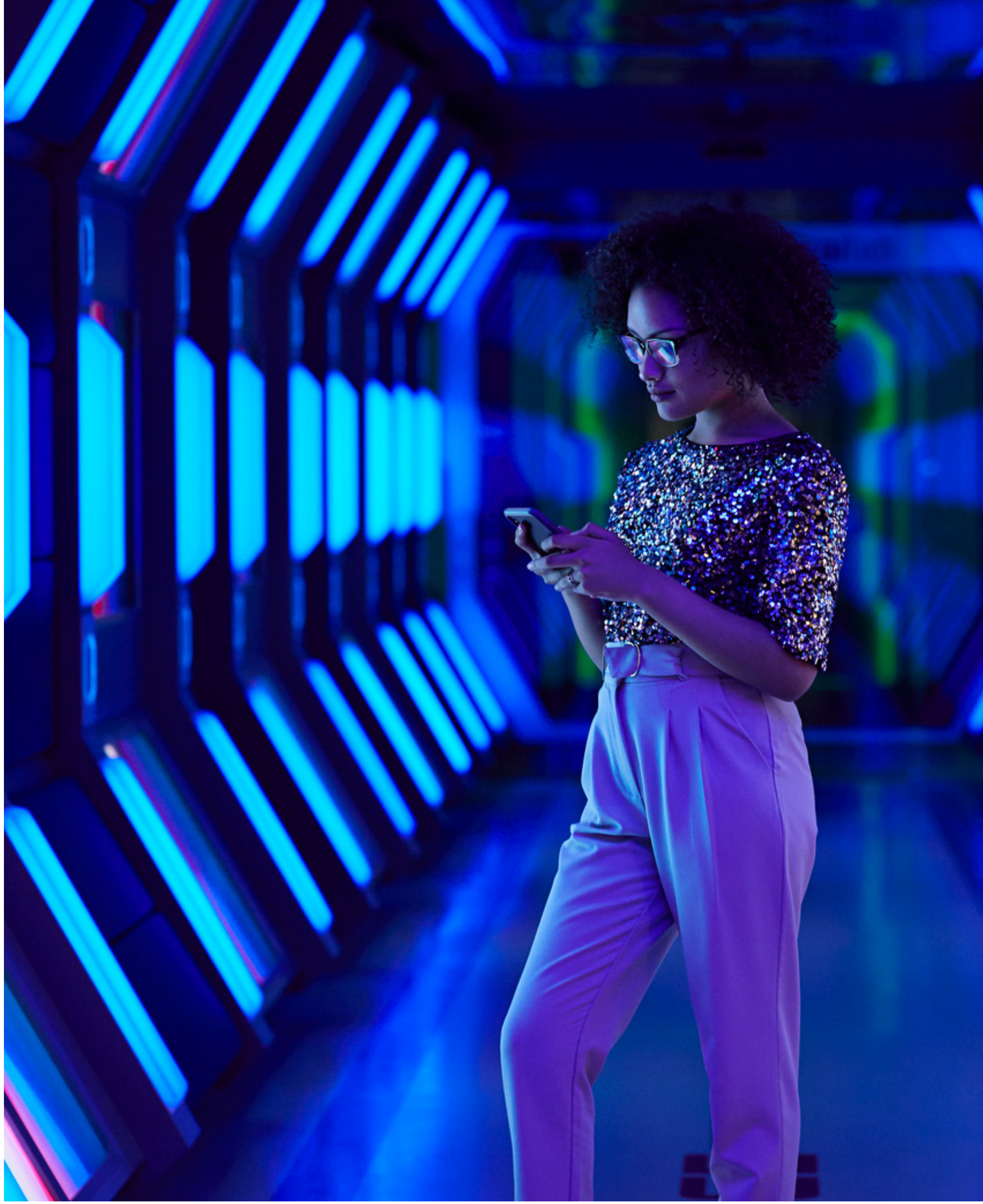
Budget Insurance, Dialdirect and Momentum responded the fastest to priority mentions. However, it is important to note that these insurers received relatively small volumes of priority mentions. With less mentions to respond to, it stands to reason that the insurer would be able to respond faster.

PwC insight: Building a workforce of the future

Wider society is navigating changing staff priorities and accelerated pressure on technology advancements while balancing the need for employee experience and retaining key talent. A fit for purpose and engaged workforce ensures customer relationships are nurtured and creates improved overall customer satisfaction.

There is an increased need to win the war on talent and drive employee productivity through –

- Harnessing the power of culture, upskilling your workforce for future capabilities and redefining the customer engagement model.
- Reimagining the role of the service and sales contact centres, such as hybrid teams across multiple channels, and the creation of end-to-end capabilities that handle all customer related topics.
- The effective use of technologies such as speech and social media analytics can be leveraged to understand customer sentiment and themes as well as improve overall consultant performance through enhanced customer context.



6 Market conduct

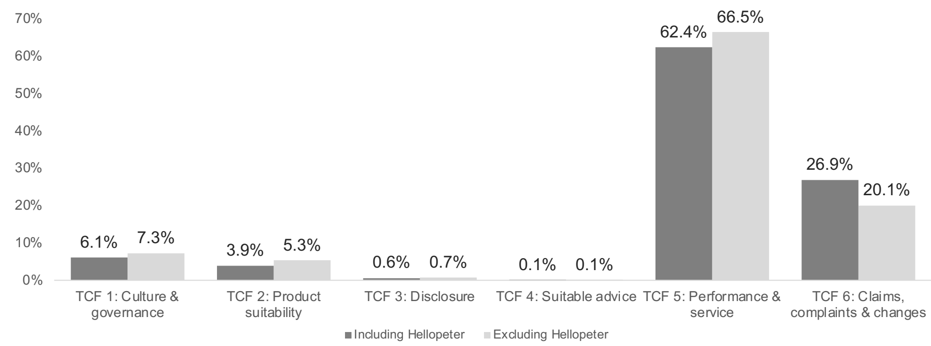
The Financial Sector Conduct Authority (FSCA) defines TCF as "an outcomes-based regulatory and supervisory approach designed to ensure that regulated financial institutions deliver specific, clearly set out outcomes for financial clients". Insurers must demonstrate to the regulator that they deliver and report on the six TCF outcomes. This includes the insurers' behaviour and interactions with their customers online.

TCF Outcomes	Outcome definition
Outcome 1: Culture & governance	Customers can be confident they are dealing with firms where TCF is central to the corporate culture
Outcome 2: Product suitability	Products & services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly
Outcome 3: Disclosure	Customers are provided with clear information and kept appropriately informed before, during and after point of sale
Outcome 4: Suitable advice	Where advice is given, it is suitable and takes account of customer circumstance
Outcome 5: Performance & service	Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect
Outcome 6: Claims, complaints & changes	Customers do not face unreasonable post-sale barriers imposed by firms to change products, switch providers, submit a claim or make a complaint

75.4% of priority complaints linked to TCF outcomes

More than three-quarters of the priority complaints directed at insurers related to one or more of the TCF outcomes. The bulk of these complaints spoke to Outcome 5: Performance and Service – this follows the thread of findings already seen in this report, with customer experience being a significant complaint among insurance clients.

TCF category proportion with and without Hellopeter



Pricing and affordability emerged as a key conduct complaint driver

Upon analysing the topics driving conversation for each of the TCF outcomes, it emerged that complaints linked to Outcome 2, Product Suitability, and Outcome 3, Disclosure, were strongly associated with price and affordability.

What drove TCF-related complaints?

Complaint category	Co-occurring topic	% of total conversation
Outcome 1: Culture & governance	Turnaround time	35.3%
	Staff conduct	29.8%
	Staff competency	24.9%
Outcome 2: Product suitability	Affordability	77.3%
	Monthly fees	55.5%
	Changes in pricing	44.9%
Outcome 3: Disclosure	Misleading advetising	38.3%
	Monthly fees	33.6%
	Affordability	33.2%

The above tables show 3 main topics co-occurring with negative TCF outcome conversation.

Some of these complaints related to competitive pricing (comparing premiums to other brands) and price increases – specifically how frequently, by how much, and often the fact that it is done without perceived consent. There is also general conversation about what is considered expensive or cheap.

This affordability conversation references the type of service that customers pay for, as well as warnings of low premiums being a gimmick due to high excess or because the insurer simply does not pay out.

What drove TCF-related complaints?

Complaint category	Co-occurring topic	% of total conversation
Outcome 4: Suitable advice	Total volume too small for topical breakdown	
Outcome 5: Performance & service	Turnaround time	70.0%
	Staff competency	36.4%
	No response received	34.2%
Outcome 6: Claims, complaints & changes	Turnaround time	75.2%
	Staff competency	40.1%
	Feedback from brand	36.1%

The above tables show 3 main topics co-occurring with negative TCF outcome conversation.

TCF outcome 2 example mentions

Service

[redacted] is not cheap, I don't know who they're fooling 🙄
15 Jun 2021 13:28 2

Service

Am I not supposed to get notified when my premium installment goes up so that I can make a decision to move to a cheaper option? (1 star)
13th Aug 09:32

Service

Just a friendly warning. [redacted] just tried to increase my car premium by 18%. I had zero claims nor even the slightest dent or scratch on my car. They cannot explain why. I cancelled and moved on. Be careful of these chancers
5 May 2021 09:51 1

S Risk

Apparently all life insurance service providers like [redacted] charge you higher premiums if you're not vaccinated. I am a living proof, they say I'm a high risk t.co/lBuCCcpjJU
4th Feb 20:45

Service

Not [redacted] telling me they increasing my insurance premiums by 400 because their business was affected by Covid, 🤣🤣🤣who's business hasn't been affected???
17th Feb 13:04 1

Service

[redacted] I wouldn't go for [redacted], their premiums are set low but excess is too high
25th Jan 22:06

PwC insight: Reimagining the product landscape

The heightened price sensitivity from consumers expressing concerns about affordability and monthly fees gives insurers the opportunity to drive competitive pricing strategies such as usage-based insurance (UBI), behaviour-based insurance (BBI) and pay-as-you-go policies. This indicates the need for product flexibility and the ability for customer personalisation.

This marries to a trend highlighted in PwC's 2022 Global Risk Survey Report indicating that disruptive trends expected to impact the industry include a focus on building lean operations to compete competitively on price and creating innovative, differentiated, and customised products to address unserved/underserved segments.

Conclusion

The insurance industry showed signs of improvement across key areas identified in the report, with the successful execution of meaningful campaigns and positivity attributed to staff interactions in operational processes. However to remain competitive and respond to the rapidly evolving needs and preferences of consumers, insurers will need to provide personalised solutions presented in the context of being beneficial to their day-to-day lives. Underpinning services with powerful digital and data capabilities will enable future innovation and enhanced customer experience to drive sustainable growth ambitions.

This includes enhancing the customer engagement strategy through targeting new customers with relevant information and improving take-up through the creation of data-led campaigns. Globally, specific modelling techniques are enabling organisations to predict the best time and personalised product to sell.

Focused retention strategies and capabilities reduce overall lapse rates and cancellations through regular client communication, a marked area of improvement cited in the report. Finally, customer education and awareness drives are a key starting point to bridge access and coverage gaps – these initiatives help improve various customer perceptions and understanding of products, assisting in subtle cross-selling of products not held by the customer.

Regulatory pressure will continue to increase and managing reputational risk requires a balanced and holistic approach that considers both the internal corporate culture of an organisation and the perception of its external stakeholders and consumers. A customer-centric TCF strategy is required to meet the expectations of consumers and those set out by the legislature.

In conclusion, insurance product design and development needs to be customer-led and meet the demands of the future digital world. A significant portion of insurers' current digital efforts is still focused on driving operational efficiency as opposed to creating new value for customers.[7]

The rapid expansion of the Metaverse should have insurers thinking about their opportunities to engage in these ecosystems, design and deliver new customer value and build a hub of customer intelligence that keeps them relevant for the future.

[7] PwC Insurance 2025 and Beyond

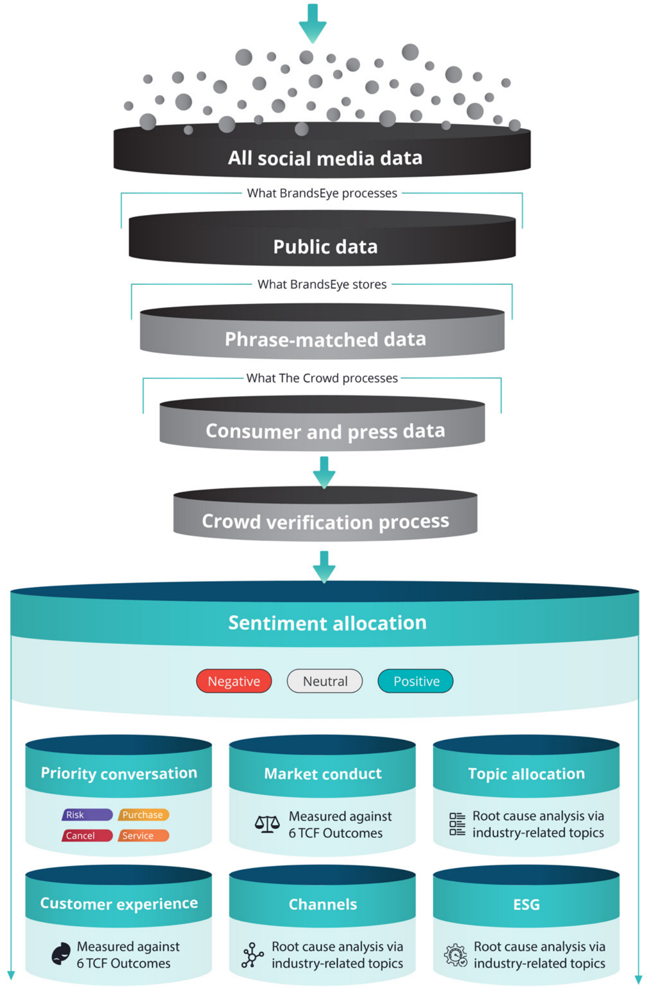
7 Methodology

Data Collection

A total of 479 944 public non-enterprise posts were collected for the period of 1 April 2021 to 31 March 2022. These posts were retrieved from public data sources such as Twitter, Hellopeter, Instagram and other online sources. This year Facebook was not included as a data source due to data tracking limitations caused by unverified social profiles.

100% of the collected mentions were sent for Crowd verification. This resulted in an overall sampling sentiment Margin of Error (MOE) of 0.0% at a 95% level of confidence. Crowd verification holds a 5% Margin of Error.

The original data set was cleaned before sampling to exclude mentions pertaining to medical aid and investments as many of the insurance brands offer these services. This was done using content matching for distinctive medical aid and/or insurance terms.



Sample sentiment for verification

100% of the collected mentions were sent for Crowd verification. This resulted in an overall sampling sentiment Margin of Error (MOE) of 0.0% at a 95% level of confidence. Crowd verification holds a 5% Margin of Error.

	Volume	Sentiment sample
1Life Insurance	18 824	18 824
1st For Women	24 438	24 438
Auto & General	6 130	6 130
Budget Insurance	23 127	23 127
Dialdirect	18 567	18 567
Discovery	51 113	51 113
Hollard	7 654	7 654
King Price	14 172	14 172
Liberty	3 485	3 485
MiWay	35 092	35 092
Momentum	38 103	38 103
Old Mutual	189 474	189 474
OUTsurance	16 593	16 593
Sanlam	27 547	27 547
Santam	5 625	5 625

Topics methodology

Topic analysis enables a granular understanding of the specific themes driving consumer sentiment. A total of 144 874 sentiment-bearing mentions were sent for topic analysis. And 106 713 of these mentions contained at least one topic.

For the insurance industry, DataEQ has eight broad topics encompassing 91 pre-defined sub-topics to help understand the drivers behind sentiment.

The broad topics are customer service; reputation; digital experience; products; physical facilities; pricing or fees; account admin; and claims process.

Mentions can be assigned more than one topic, enabling detailed analysis of issues influencing consumer sentiment. This means that totals on topics analyses can exceed 100%.

Market conduct methodology

A random, representative sample of negative conversation was verified by the DataEQ Crowd to surface market conduct complaints. These complaints were segmented according to the six outcomes of the TCF regulatory framework which governs the financial services industry and which, for this report, was adapted to the insurance industry. In order to segment the complaints into the six TCF outcomes, a total of eleven possible labels were applied to the data.

TCF Outcomes	Outcome definition	Label		Label definition
Outcome 1: Culture & governance	Customers can be confident they are dealing with firms where TCF is central to the corporate culture	1a	TCF perception	Customer feels they have been treated fairly/unfairly by the brand.
Outcome 2: Product suitability	Products & services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly	2a	Product design	The design of a product or related service, especially whether it fits the needs of the customer.
Outcome 3: Disclosure	Customers are provided with clear information and kept appropriately informed before, during and after point of sale	3a	Information provided	Information provided e.g. through documentation for products or services (not advertising).
		3b	Advertising	Information provided e.g. through advertising of products or services – is it clear, accurate and complete?
Outcome 4: Suitable advice	Where advice is given, it is suitable and takes account of customer circumstance	4a	Advice	Advice given during the process of buying or changing a product.
Outcome 5: Performance & service	Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect	5a	Product performance	Product performance - is the financial product doing what the customer expected?
		5b	Customer service	Feedback on customer service e.g. how the brand deals with queries and resolves issues.
		5c	Channel performance	The quality/availability of self-service channels, such as mobile app, website etc.
Outcome 6: Claims, complaints & changes	Customers do not face unreasonable post-sale barriers imposed by firms to change products, switch providers, submit a claim or make a complaint	6a	Accessibility and claims	The experience of trying to access funds, or make a claim.
		6b	Complaint handling	Feedback on how a complaint was handled by the brand.
		6c	Switching	Feedback on the process of cancelling or switching between products or providers.

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