



# Rise of Bionic Banca through digital Enablement

Webinar on Bancassurance

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# Despite tectonic shifts in financial markets parameters BA remains a case for growth in most markets across APAC



APAC continues to be leading Banca market, with growth expected at CAGR of ~5-6% between 2021-2027



Maturity of Banca models are accelerating as regulation evolves in developing markets like VN, IN



Rise of HNWI population in Asia (reaching ~28M by 2026 at ~60% CAGR, 2021-26) puts banks in prime position to win



COVID further supercharged Digital transformation & behaviors also affecting banca models



## Two Perspectives on how to benefit from this environment for bancassurers?

- **Presentation 1:** *"A compelling vision of how to win the Future of Banca"*
- **Presentation 2:** *"More performance through Bionic: Today's Banca model with significant potential to transform"*

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**Future Back View:**  
A compelling vision of how to  
win the Future of Banca

## Customer asks for a different Experience - Today's journeys are not yet ready for the new normal

**A good friend,**  
not a vault or  
dentist

**~31%**

of customers want  
their bank to provide  
honest advice

**More digital,**  
less brick and  
mortar

**~55%**

of customers are  
regularly using the  
mobile app

**Human touch,**  
where it matters

**+57%**

of customers prefer  
a human touch  
when acquiring  
complex products  
eg, mortgage

**Personal  
relevance,**  
less one-fits-all

**~40%**

of customers expect  
more personal  
advice

# A good friend | Customer expectations of their bank is shifting

BCG Consumer Survey

 **Vault** where I can keep my money safe

My bank today feels like ..

I want my bank to be more like ..

 **A good friend** place I can turn to for honest advice on my situation

31%

25%

 **Supermarket** I know what I need and I know I will find it there

14%

10%

 **My GP or dentist** I do not enjoy it, but I know it is important

13%

5%

 **Amazon.com** I know what I need but I'm open to new relevant suggestions

10%

8%

 **A personal shopper** I know I need something, I just don't know where to start

6%

6%

 **My gym** An important part of my regular routine

6%

4%

 **School** A place where I can get some financial education and guidance

5%

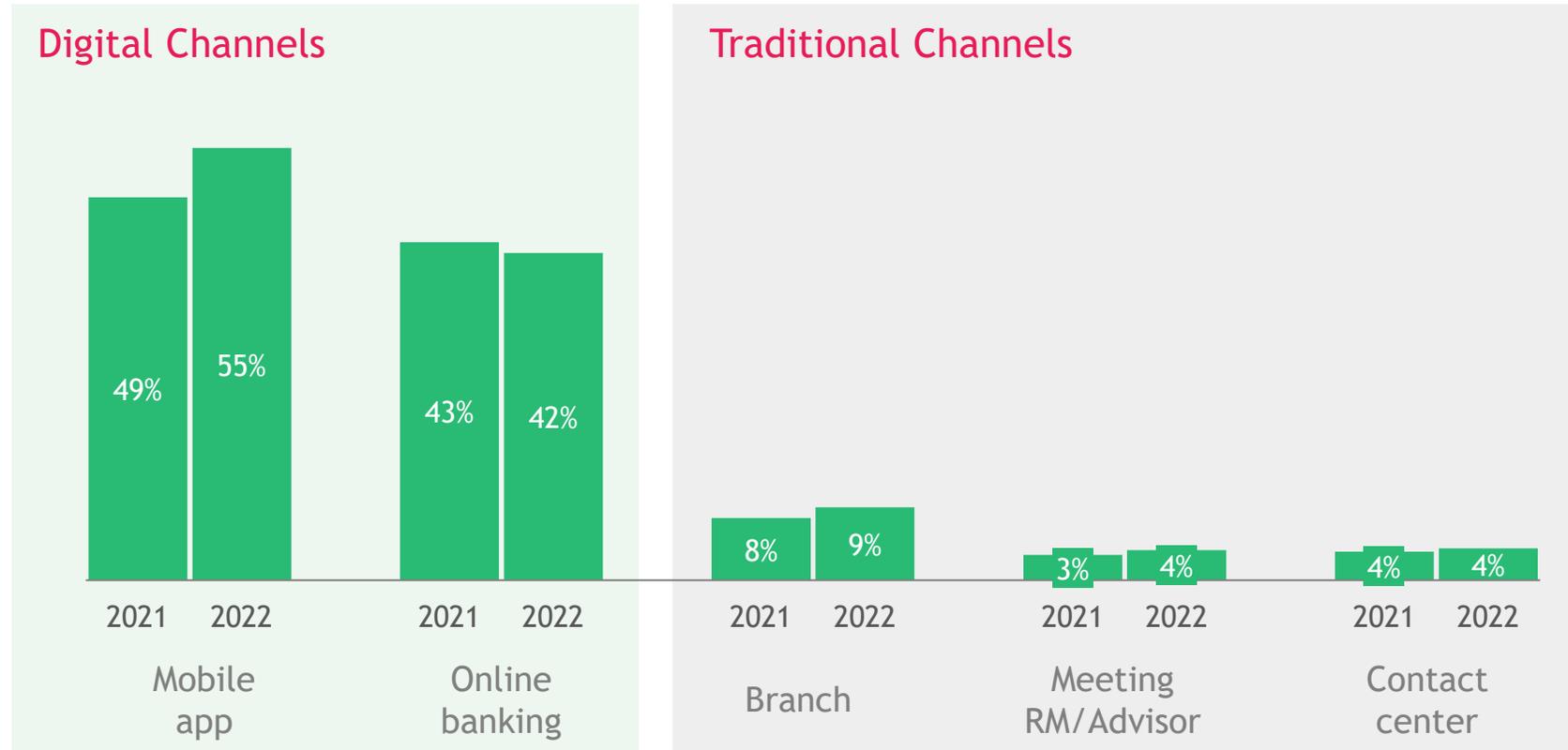
11%

Questions: My bank today feels like...? I would like my bank to be more like...?  
 Source: BCG Retail Banking Excellence (REBEX) Consumer survey 2021, study conducted in May & June 2021

# More Digital | Mobile is the winner in customer interactions

## BCG SURVEY: Channel usage in the last 12 months

BCG Consumer Survey 2022



**~35%**  
customers would shift to digital channels if their preferred branch was unavailable

**+20%**  
Customer satisfaction in digital channels than in traditional channels

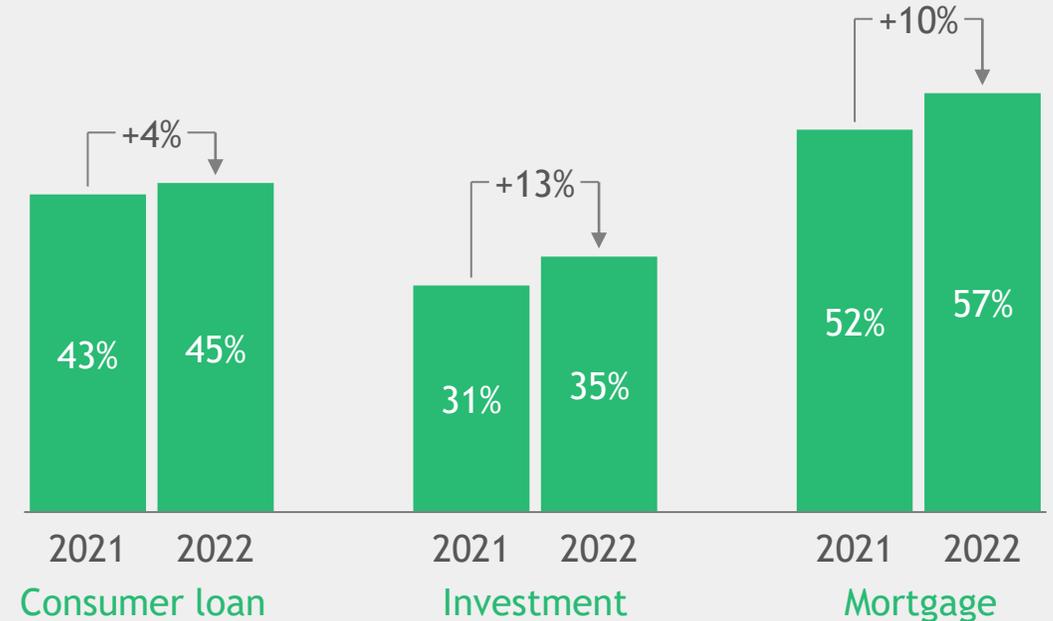
Question: How often did you use the channel in the last 12 months?  
Source: REBEX Consumer survey 2022, study conducted in June - Sept 2022

# Human touch | where it matters for complex products

% of customers who visited branches regularly remains below pre-pandemic level



Preference for human touch when acquiring new complex products



# Personal relevance | Customers want more personalized advice

## Voice of customers from survey



*I want my bank to...*



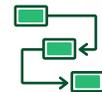
*... Suggest relevant products and solutions that I was not taking advantage of*



*... Help me make real-life decisions that impact my financial situation*



*... Help me think about my long-term aspirations, (e.g. buying a house)*



*... Provide me with tools to understand and manage my day-to-day spending*



*... Help me maintain separate “pots of money” for different purposes*

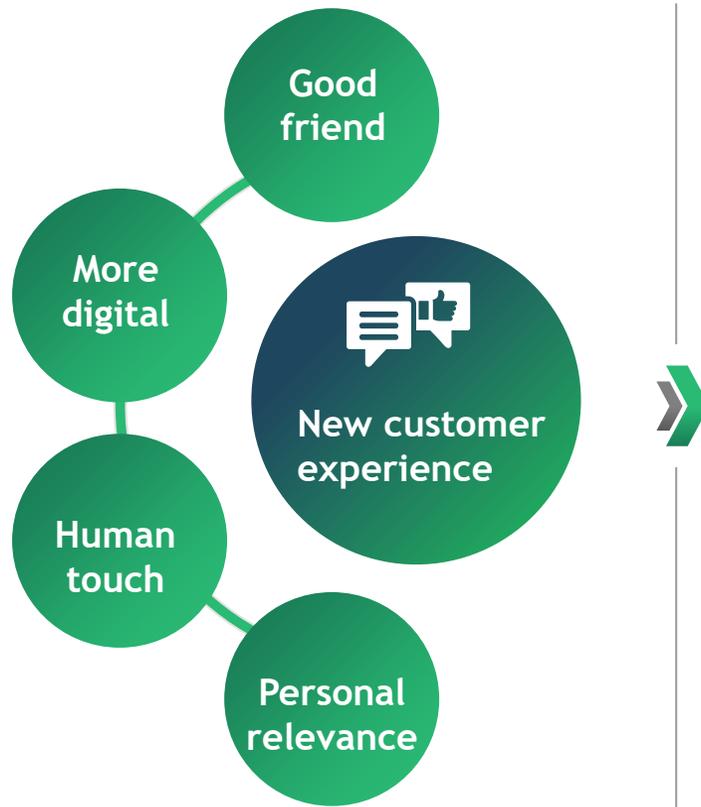


**40%+** of customers wanted personalised advice...

Question: Which services would you like from your bank and which services does your bank currently provide?  
Source: REBEX Consumer survey 2022, study conducted in Jun-Sept 2022

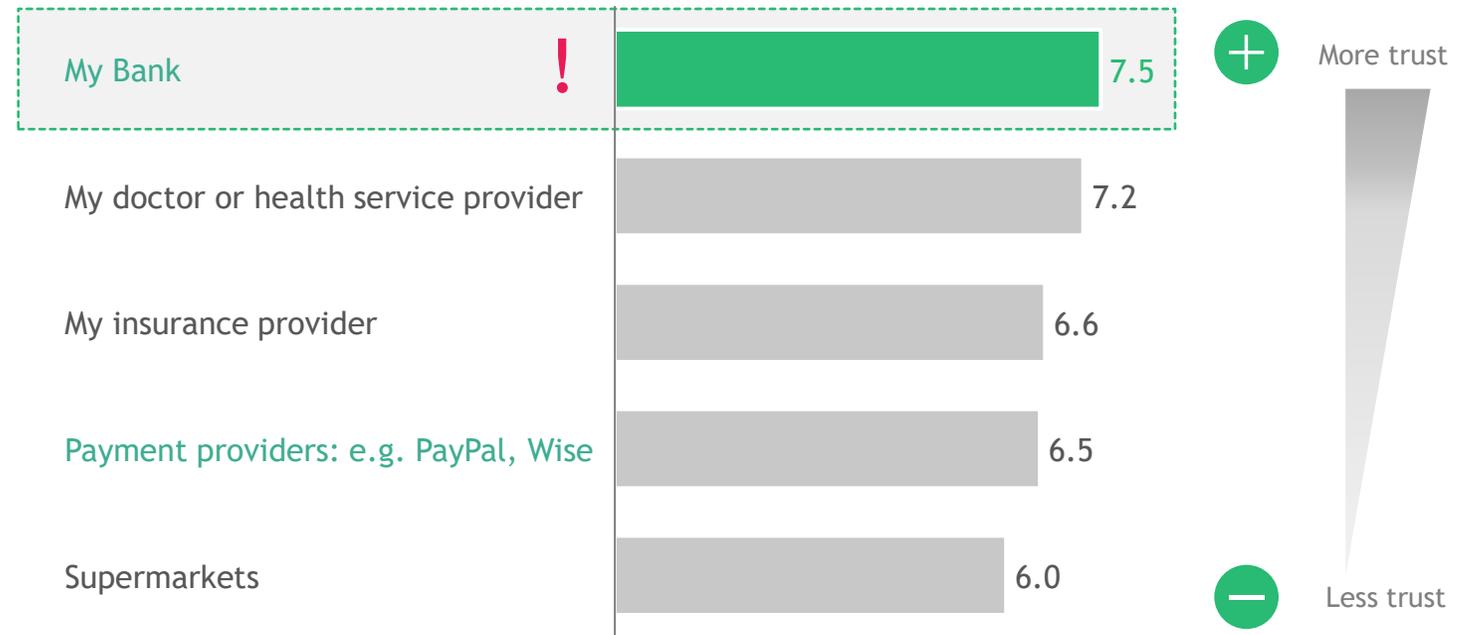
# A new experience | Banks are in prime position as trusted advisor

To build a new customer experience...



...requires depth and breadth of data which banks have great access to

Customer trust in organizations keeping their data secure & private<sup>1</sup> on a scale of 1-10



*"Banks' Rich customer data a source of competitive advantage"*

# The new customer experience will have multiple customer touchpoints

No. of customer interactions (per year)

## Typical bank today

Mobile logins

50-80

Online logins

10-40

Mobile payments

<50

Video calls

10-15

Branch visits

10-20

## Banking in the future

310-360

110-120

500-600

12-24

<10

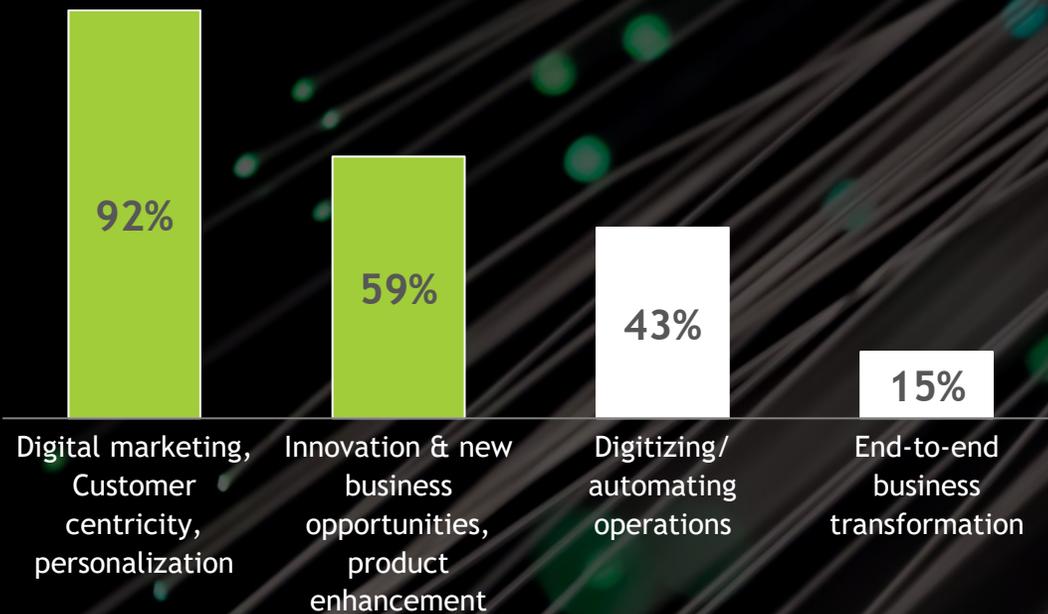
The role of the RM will be 'rejuvenated', supported by bionic branch networks and digital tools

# Banks are increasing investment in customer centric transformations

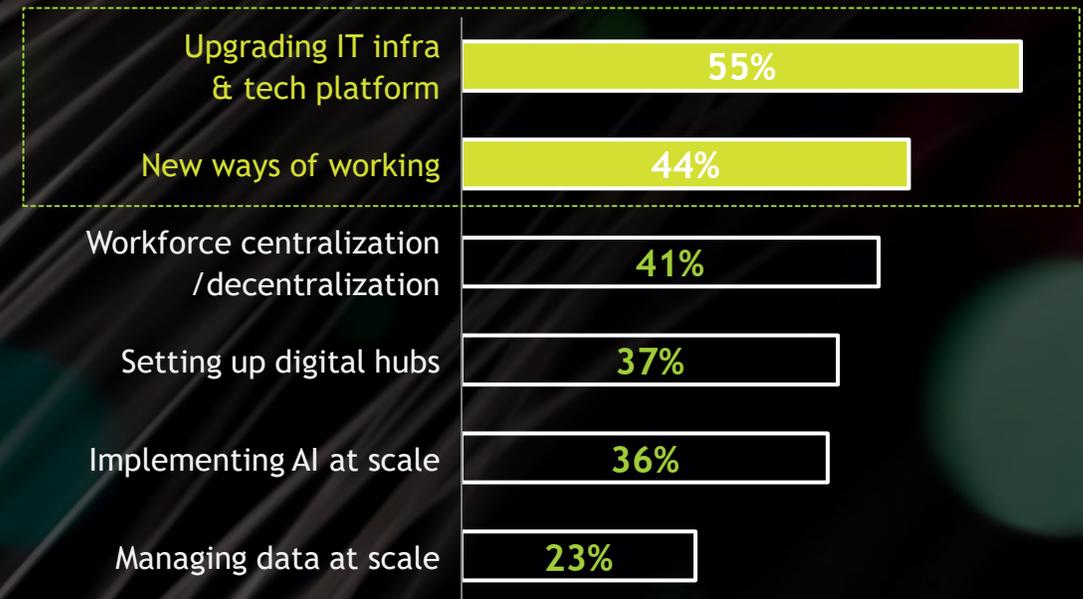
*Majority of transformations in banking industry are customer centricity-led*

*Strong Focus on Enablement through Technology upgrades and new ways of working*

Focus of business goals in transformations

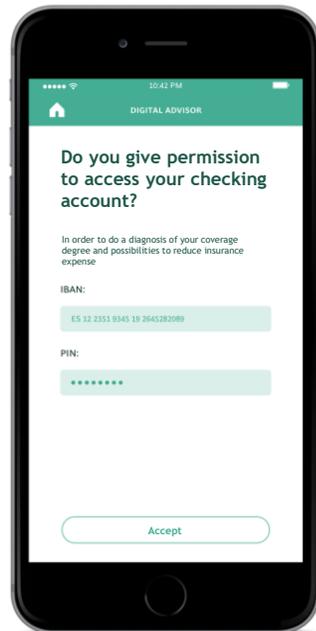


Key enablers of digital transformations



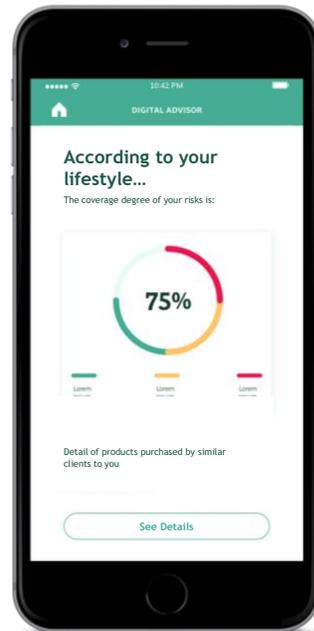
# Example: state-of-the-art digital advisory tools using transactional bank data

## Step 1 Customer authorization



This step can be avoided in Bancassurance as Bank already has access to client's information

## Step 2 Insurance coverage score



Analysis of client's current insurance portfolio and comparison with standard portfolio according to profile

## Step 3 What other customers have

The screen displays a 'DIGITAL ADVISOR' interface. The main text says: 'Detail of products purchased by similar clients to you'. Below this is a table with 7 rows and 4 columns.

Life risk	230	20%	320
Home	720	100%	700
Auto	690	100%	600
Health	1430	55%	1250
Death	0	15%	180
Accident	0	20%	120
Pet	0	10%	150

Client's portfolio compared to average portfolio for clients with the same profile (products and price)

## Step 4 Insurance expenses optimization

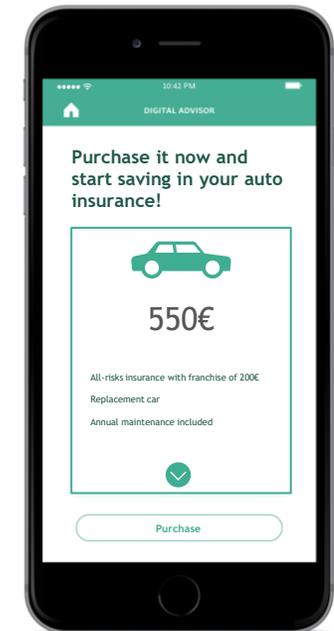
The screen displays a 'DIGITAL ADVISOR' interface. The main text says: 'XXX can reduce your insurance expense by 250€ each year'. Below this is a table with 7 rows and 4 columns, showing current and target values and checkboxes.

Life risk	230	230	<input checked="" type="checkbox"/>
Home	720	720	<input type="checkbox"/>
Auto	690	550	<input checked="" type="checkbox"/>
Health	1430	1330	<input checked="" type="checkbox"/>
Death	0	0	<input type="checkbox"/>
Accident	0	0	<input checked="" type="checkbox"/>
Pet	0	0	<input type="checkbox"/>

A green 'Purchase' button is at the bottom.

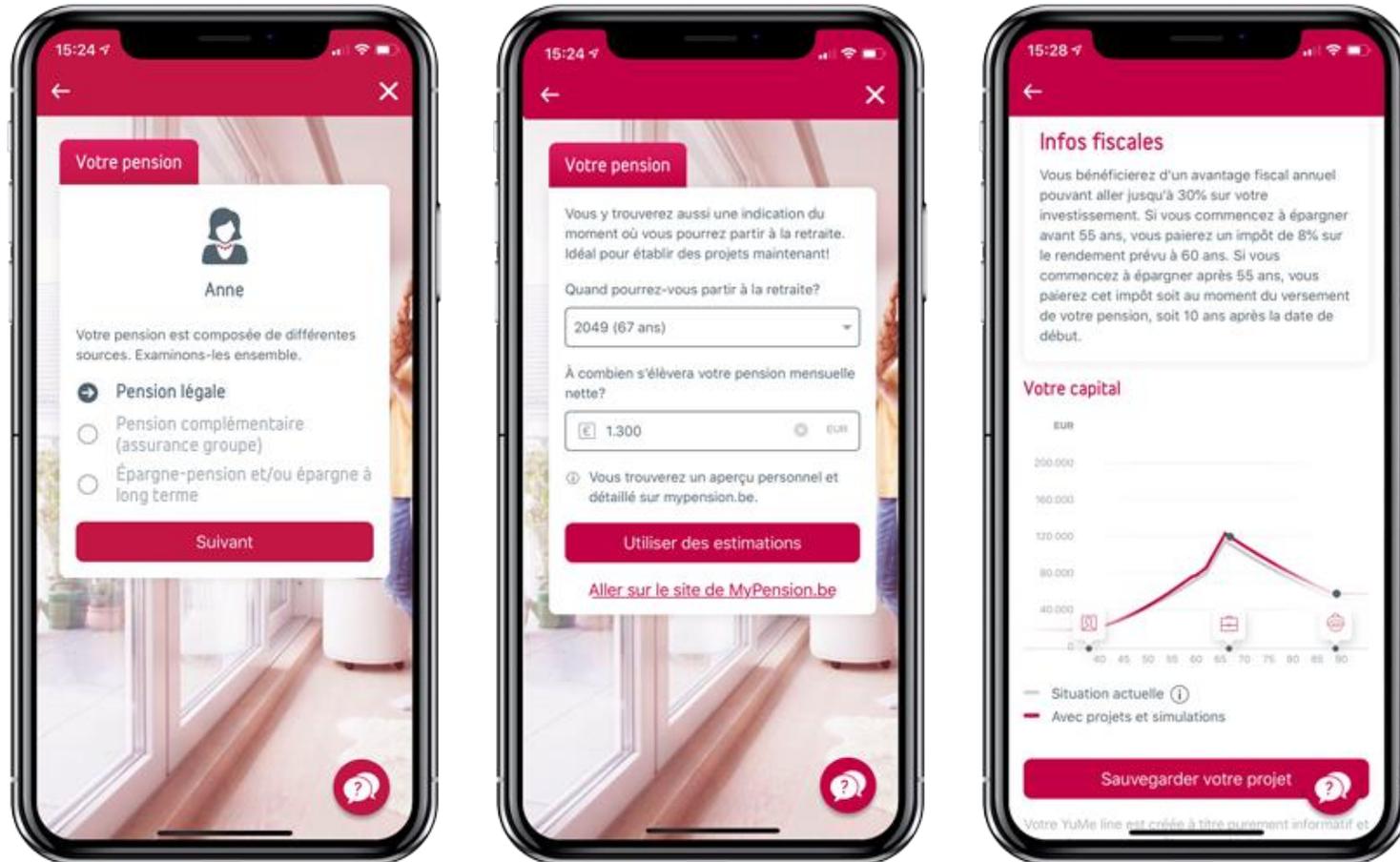
Savings potential between client's current insurance and bank's offerings (pre-quoted products)

## Step 5 Insurance acquisition



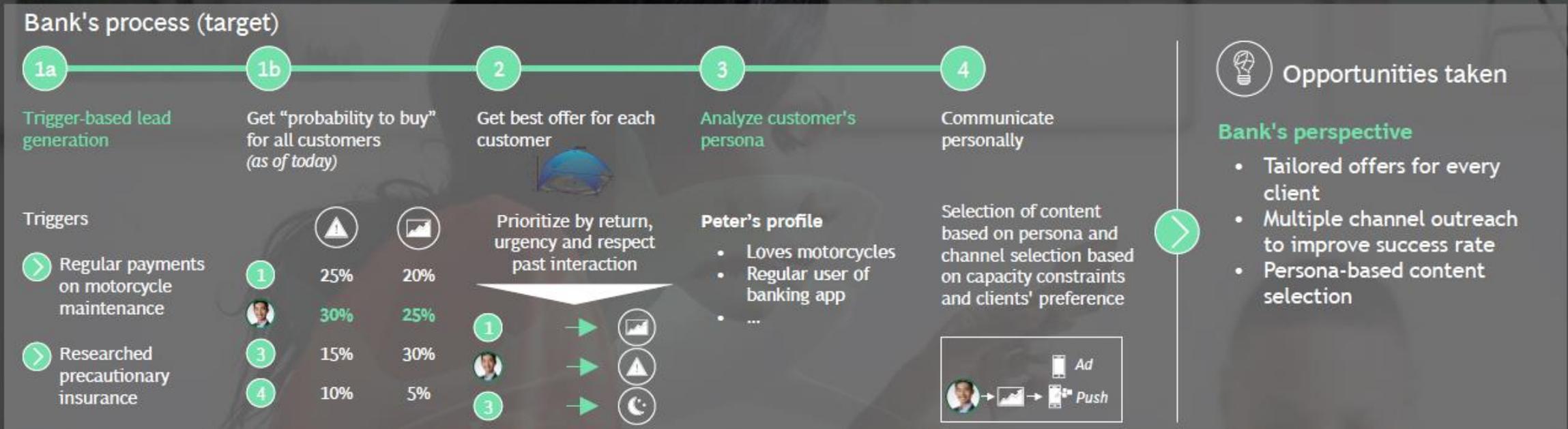
Acquisition of selected products through a 100% digital process

## Example: Roboadvisor for life savings business

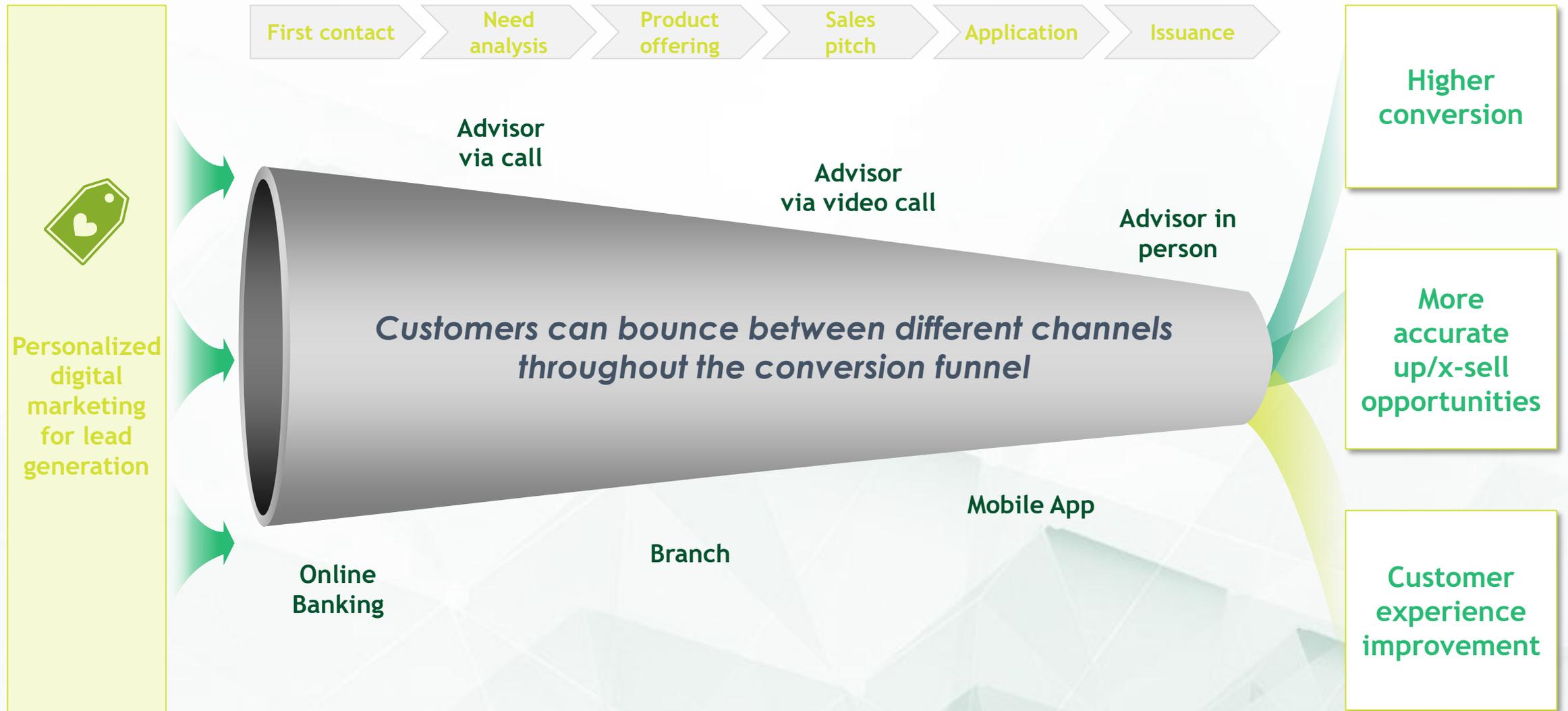


- Usage of existing bank data and social security information to reduce the need of new information
- Omnichannel capabilities: getting an online quote for life insurance or talking with a personal advisor
- Comprehensive picture of your financial situation and plan depending on your age and situation
- Offer customized financial solutions - saving account, life insurance... - to help plan and meet your financial goals

# Example: Personalized Journey for insurance



# Future Bancassurance experience an integrated online-offline journey



## A number of measures to take full advantage of bionic operations



### Personalization

- + develop tailored products to target specific segments
- + integrate life savings products within bank's value propositions
- + embed linked-to-lending credit protection in loan sales journey
- + simplify UW, even pre-quote life risk products
- + leverage digital interactions to protect customer's family lifestyle

Takeaway | 3 key  
trends of future  
Banca **bionic**  
distribution networks



**Data-driven sales and processes**

RMs are fed insights on customer behaviors to connect on what they care about at most effective time in the suitable touchpoint



**Seamless on-offline engagement**

Customers and RMs can interact physically in-branch, remotely off-branch or through digital channels, supported by tele-sales centers



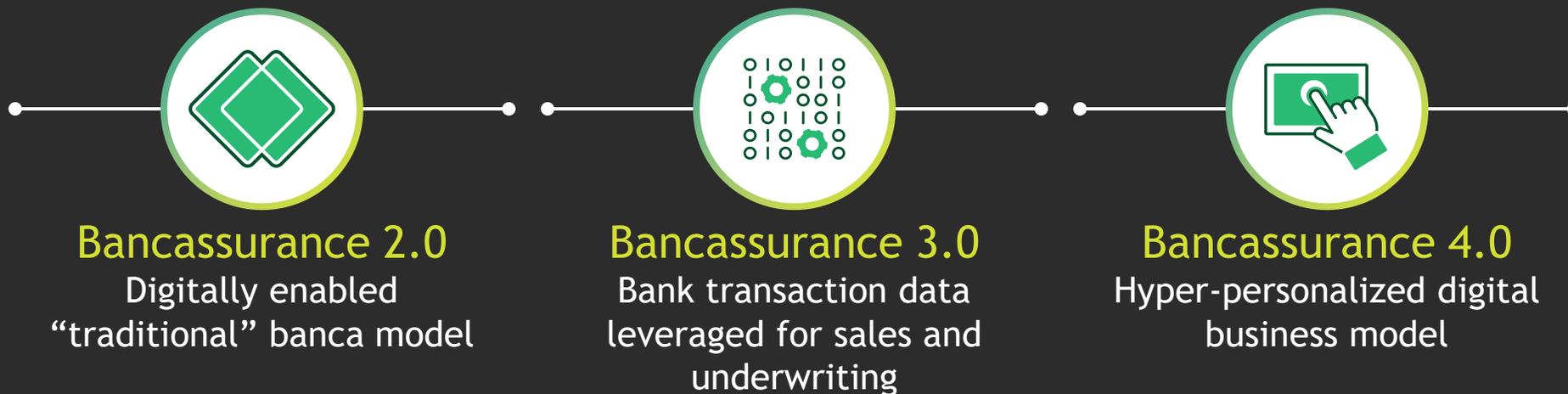
**Anywhere-anytime servicing capabilities**

Traditional opening hours and physical boundaries surpassed through enhanced connectivity using virtual tools

2

More performance through Bionic:  
Today's Banca model with  
significant potential to transform”

# Bancassurance models at various stages of development



## Examples



## Scope

- Sales mgmt. enabled with digital tools and analytical triggers
- Salesforce capability enhancement
- Streamlining of customer journeys
- Advanced lead generation, personalized offers (quote, pricing)
- New digital products, integration with bank ecosystem
- Hyper-personalized digital customer journeys

## Outcome

- 20-25%+ increase in sales advisor productivity
- 2-4x higher conversion rate
- 20-30% higher productivity

# Digital and data enablement is transforming the “traditional” banca model

Bank employees & bank hierarchy



Frontline & insurer's sales hierarchy

Core elements

**A Sales management model**

<b>Engagement Model</b> <i>(Segmented engagement, conversation scripts, nudges and triggers)</i>	<b>Resourcing, structure</b> <i>(Potential based allocation, mapping)</i>
<b>Salesforce - Bank employee mapping</b> <i>(Seniority based allocation, hierarchy involvement)</i>	<b>Internal sales reviews</b> <i>(Cadence, proactive alerts, joint reviews, intuitive MIS)</i>

**B Salesforce capability and motivation**

<b>Upskilling</b> <i>(Multi channel, bite sized, collaterals)</i>	<b>Compensation &amp; Incentives</b> <i>(Gamified, transparent)</i>	<b>Attrition management</b> <i>(Coverage management)</i>
<b>Campaigns</b> <i>(Gamified contests)</i>	<b>Target setting</b> <i>(Potential based, centralization)</i>	<b>Roles, KPIs</b> <i>(Simplified, Consistent across hierarchy)</i>

Enablers

- C Data and analytics** *(Segmentation, propensity based cross sell, recommendation engine, nudge factory)*
- D Digital enablement** *(Comprehensive tracking and enablement e.g., engagement, performance, rewards)*
- E Operations** *(Accelerated journey, sales checklist, proactive alerts, actionable MIS)*

# Integrated sales enablement tool digitally empowering the salesforce



Empowering frontline and hierarchy through 3 levels:

**1**  
End to end appointment management

**2**  
Enhanced engagement quality

**3**  
Streamlined efforts through central communication engine

# Digital tool ensures end to end rigorous tracking of customer engagements

Who should I meet?



Customer call

3:33 PM

New Appointment/Self

Customer Name

Call Probability

--SELECT--

Target Premium

Contact Number

Meeting Date

Meeting Time

Remarks

SP Name

3:34 PM

Met

Search for anything by t...

**Deepa**  
SP Name: Self  
Premium: ₹43,434    Status: FOLLOWUP    Created: 16/03/2020

**Aman**  
SP Name: Self  
Premium: ₹121,212    Status: FOLLOWUP    Created: 16/03/2020

**Raj**  
SP Name: Self  
Premium: ₹233    Status: FOLLOWUP    Created: 16/03/2020

## Multiple stages of customer meetings recorded

- Appointment scheduled
- Customer met
- Policy converted

## Customer details captured such as contact number, name, DOB

- Option to search based on customer's name and functionality to call customer directly

**Engagement history:** All meetings done and the discussion points of every meetings captured and summarized, including follow up meetings

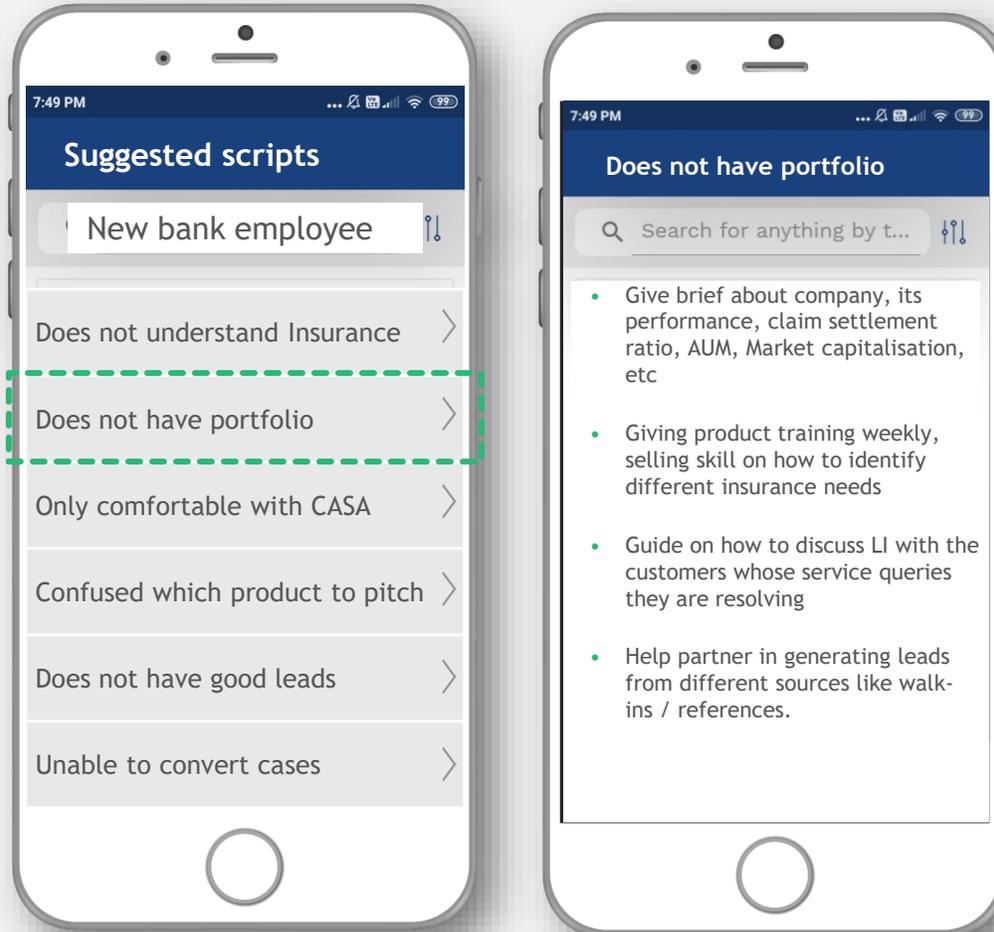
**In-app reminders** for scheduled appointments sent 1 hour in advance

# Digital tool facilitates rich and targeted conversations with the channel partner

What should I discuss?



Conversation scripts



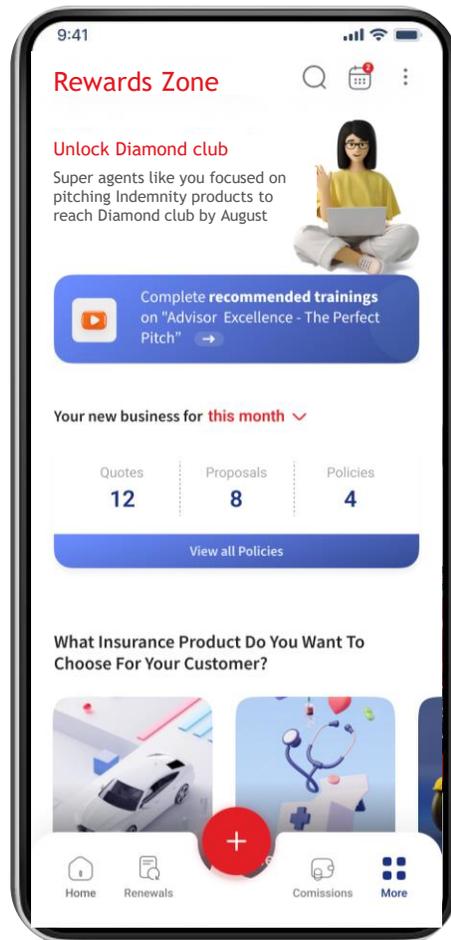
Sales staff enabled with **35+** responses/customized conversation scripts

## Key-word based search of scripts

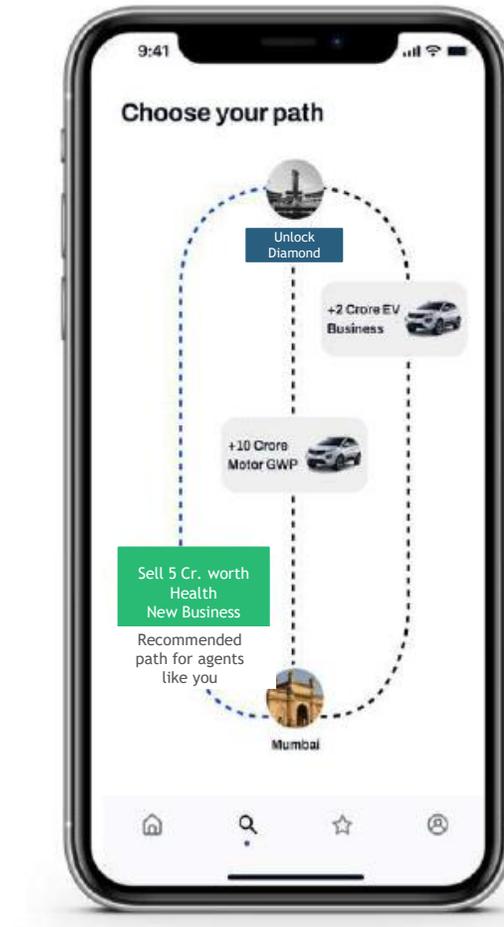
- E.g., For a new bank employee, list of common challenges are populated
- Detailed scripts available for every challenge

# Personalized glide paths for sales teams to unlock higher productivity

In-app nudge to push specific action for next tier



Personalized glide-path suggestion based on "people like you"



- 1 Personalize to most prevalent pathway for successful twins (e.g. 80<sup>th</sup> percentile & above look-alikes)
- 2 Gamified based on behavioral science (e.g. user commits to action plan to reaching next tier)
- 3 Achievable goals with discrete sub-steps to follow & unlock (e.g. from Gold to Diamond as next target)
- 4 Dynamic suggestions refreshed daily based on T-1 day-end position vs. peers and tier qualifying criteria
- 5 Suggested Call-to-Actions enabling the "how" (e.g. launch training capsule for a top-selling Life Insurance product)

# Digital simulators used by bank staff to engage with customers and assess their needs

## Savings simulator when retiring

### CALCULADORA DE AHORRO

Calcula cuánto dinero podrías tener ahorrado en el momento de tu jubilación y qué renta mensual te podría aportar.

¿Qué edad tienes?  años

¿Cuánto tienes ya ahorrado en los productos para la jubilación?  euros

Este es el capital que tendrás acumulado a los 67 años y la renta mensual al jubilarte.

¿Cuánto quieres ahorrar cada mes?  euros

Puedes modificar el capital acumulado para ver cuánto deberías ahorrar cada mes para conseguir tu objetivo.  euros

Ahorro fiscal grásima declaración de renta: 300 €

Renta mensual al jubilarme: 200 €

**Tener un ahorro te ayudará a cubrir tus gastos futuros.**

¿Quieres hablar con tu gestor?

Localiza tu oficina CaixaBank

Ver resultados del simulador en PDF

Ver

+ Información

Conoce las soluciones disponibles para ahorrar

¿Sabrías decir cuáles serán tus gastos en la jubilación?

Consulta nuestra calculadora de gastos para salir de dudas.

Calculadora de gastos

## Simulator to estimate monthly expenses

### HAZ UNA PREVISIÓN DE TUS GASTOS PRINCIPALES PARA MANTENER TU NIVEL DE VIDA A FUTURO

Reliene tu Comunidad Autónoma y el estilo de vida que le gustaría tener cuando te jubiles y le proponemos una estructura de gastos mensuales para que puedas ajustarlos.

¿Cuál es tu Comunidad Autónoma?

SELECCIONA TU COMUNIDAD

¿Cómo te ves en tu jubilación?

Protector Hogareño Vitalista Trotamundos

¿Cuánto gastas mensualmente en las siguientes categorías?

	Gasto bajo	Gasto medio	Gasto alto	Personalizar
Hogar	154 €	285 €	411 €	285 €
Compras	222 €	376 €	529 €	222 €
Salud	33 €	65 €	95 €	65 €
Transporte	9 €	37 €	73 €	9 €
Restaurante	1 €	12 €	43 €	1 €
Ocio y cultura	1 €	12 €	37 €	1 €
Viajes	1 €	12 €	45 €	1 €

GASTO MEDIO: 665 €

Ver resultados de simulador en PDF

Ver

Descubre otras cuestiones que influirán en tu futuro

Análisis propio a partir de los datos obtenidos de la encuesta realizada a personas de 55-70 años en el marco del 30 PREMIO EDAD A VIDA 2014

4 pasos para planificar tu jubilación

¿Sabes si tus ingresos futuros cubrirán estos gastos?

Consulta nuestra calculadora de ahorro para salir de dudas.

Calculadora de ahorro

## Total wealth simulator

### PATRIMONIO GLOBAL

Para saber con qué puedes contar para planificar tu jubilación, lo más importante es que hagas una foto global de tu patrimonio. Cuando lo tengas identificado analiza las características de cada elemento para decidir cómo y cuándo quieres disponer de él.

Patrimonio inmobiliario

Introducir el valor actual

Primera vivienda Segunda residencia Plaza de Parking Local Terreno Otros

VALOR TOTAL PATRIMONIO INMOBILIARIO 0 €

Patrimonio financiero

Introducir el valor actual

Cuentas corrientes Depósitos Ahorro jubilación Seguros de ahorro Acciones en bolsa Fondos de inversión Otros

VALOR TOTAL PATRIMONIO FINANCIERO 0 €

Ingresos recurrentes

Introducir el valor actual

Pensión S.S. Alquileres Rentas Otros

VALOR TOTAL INGRESOS RECURRENTE 0 €

VALOR TOTAL DE TU PATRIMONIO 0 €

Ver resultados del simulador en PDF

Ver

Descubre otras cuestiones que influirán en tu futuro

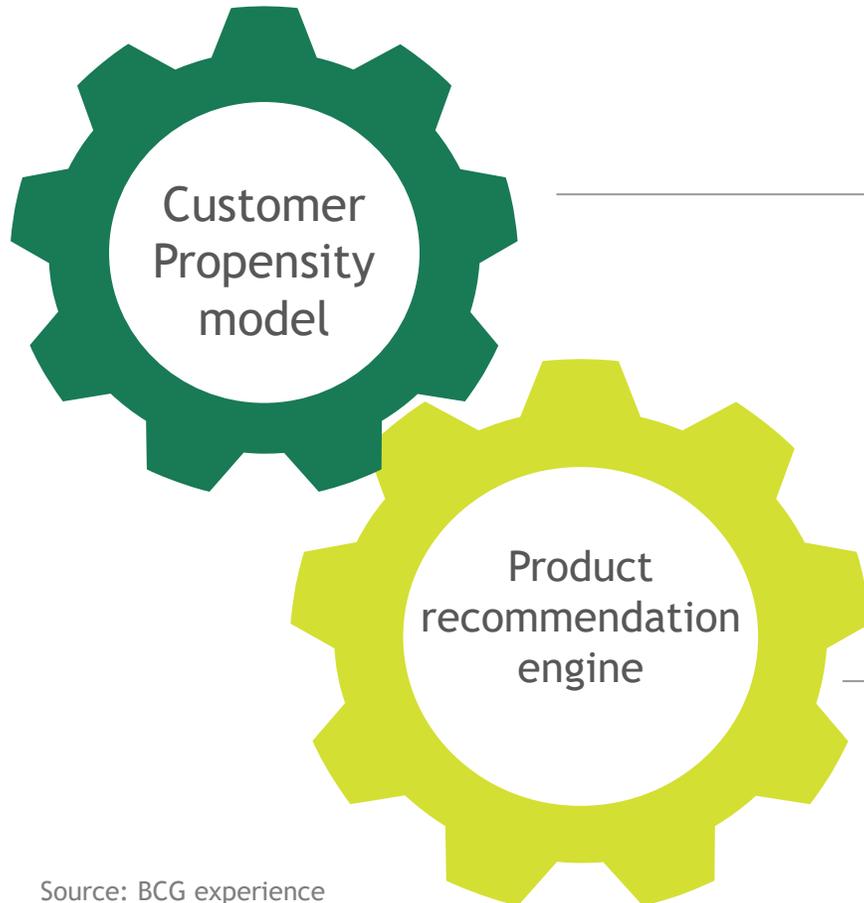
4 pasos para planificar tu jubilación

+ Información

Conoce las soluciones que te permitirán sacar mayor partido a tu patrimonio

# Lead generation model enhanced with customer propensity and product recommendation engine for higher productivity

Analytics models created for enhancing existing lead generation model for direct outreach



- Customers scored on 30+ variables covering
- Demographics
  - Policy details (payment term, mode of payment, riders, etc.)
  - Behavioral (smoker, drinker)
  - Bank data (Balance, transactions)
  - Transaction variables (#premiums missed, #policies purchased, etc.)

Best product recommendation to high propensity customers

Higher productivity



**Uplift in Sales**

# Personalized life insurance nudges showing significantly higher conversion

## Examples of personalized life insurance nudges sent out by a Bank

Hi ABC Singh, did you know the earlier you start, the lower are the premiums? Opt in for a reliable future with Life Insurance and live a stress-free life. Apply now

Protect your family from life's uncertainties  
Life Insurance solutions for every need.



Hi ABC Singh,  
Take control of your financial future by opting for hassle-free online Life Insurance tailored to your specific needs.

Key Benefits

- Start early and avail benefit of lower premiums
- Save tax u/s 80C

Secure your family's future with a Life Insurance plan  
Wide range of plans available to suit your needs.



Dear Mr. XYZ Kumar,  
Ensure your family's financial security with a Life Insurance plan. Choose from a wide range of solutions tailored to your specific needs.

Key Benefits

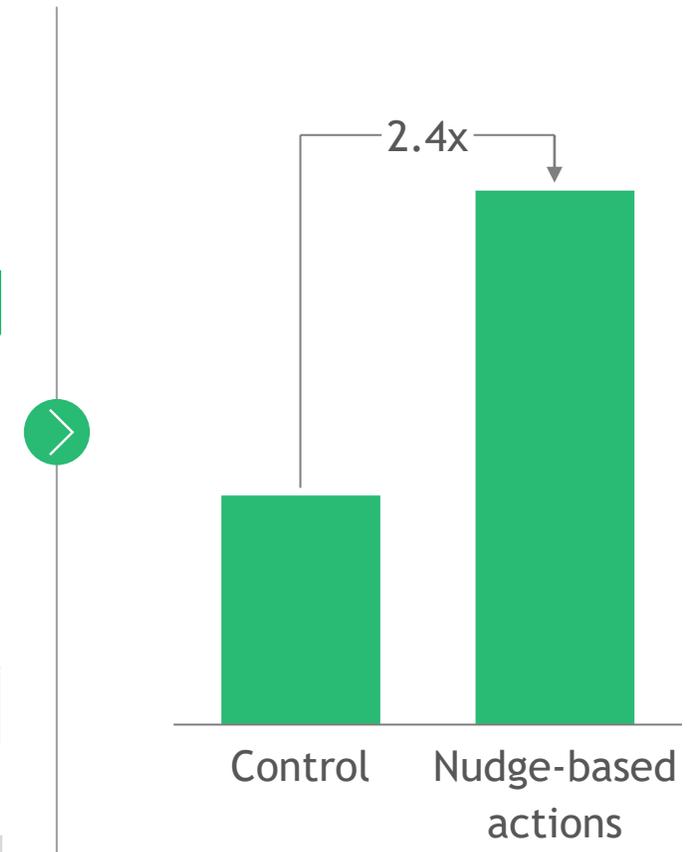
- Tax-free payout to your nominee(s)
- Hassle-free online application process
- Lifelong cover

Dear Mr. XYZ Kumar, why worry about your family's future when you can apply for Life Insurance on xx Mobile App? Choose from a range of policies. Apply now

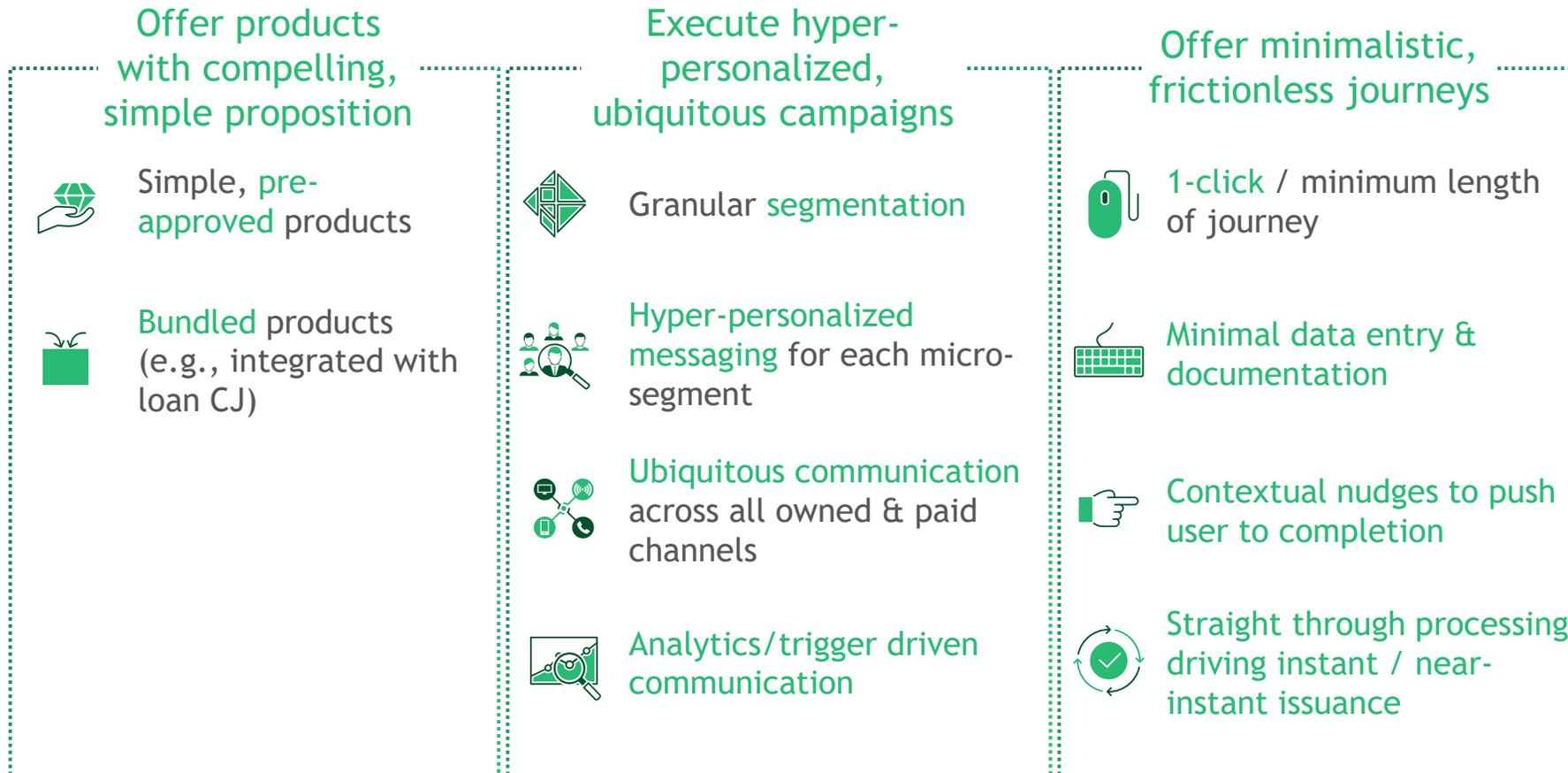
### Personalization across...

Base action	Channel	Tonality	Salutation	Motivation highlighted	Imagery used	Call to action
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## Impact on actual life insurance sold



# Digital sales | 3 key factors to drive digital sales enabled by AI



Linked-to-lending Branch cross sell ratio



Linked-to-lending digital cross sell ratio



# Deep integration between the bank and insurer can ensure seamless journeys for customers



## Multiple best practices across issuance funnel



## Impact



**Lead generation**

Pre approved offers basis propensity



**Login application**

Personalized campaigns: e.g., Nudges basis life stage of customer

Seamless journeys to capture interest, complete journey



**Conversion**

Pre-filled forms (inc 3<sup>rd</sup> party integrations), seamless medical appointment management

Proactive call back for advice, drop off management

Conversion, performance tracking

**Tools**  
End to end tracking of leads, applications, conversions, performance

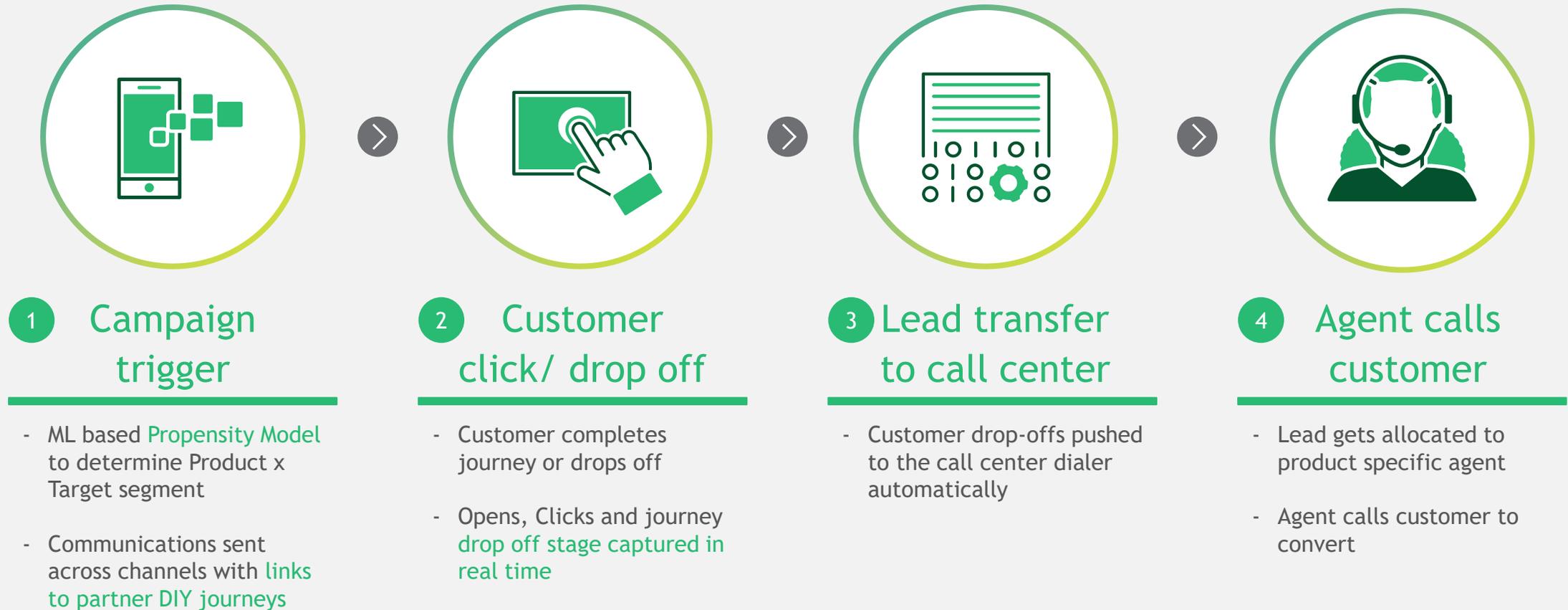


Reduction in turn-around time



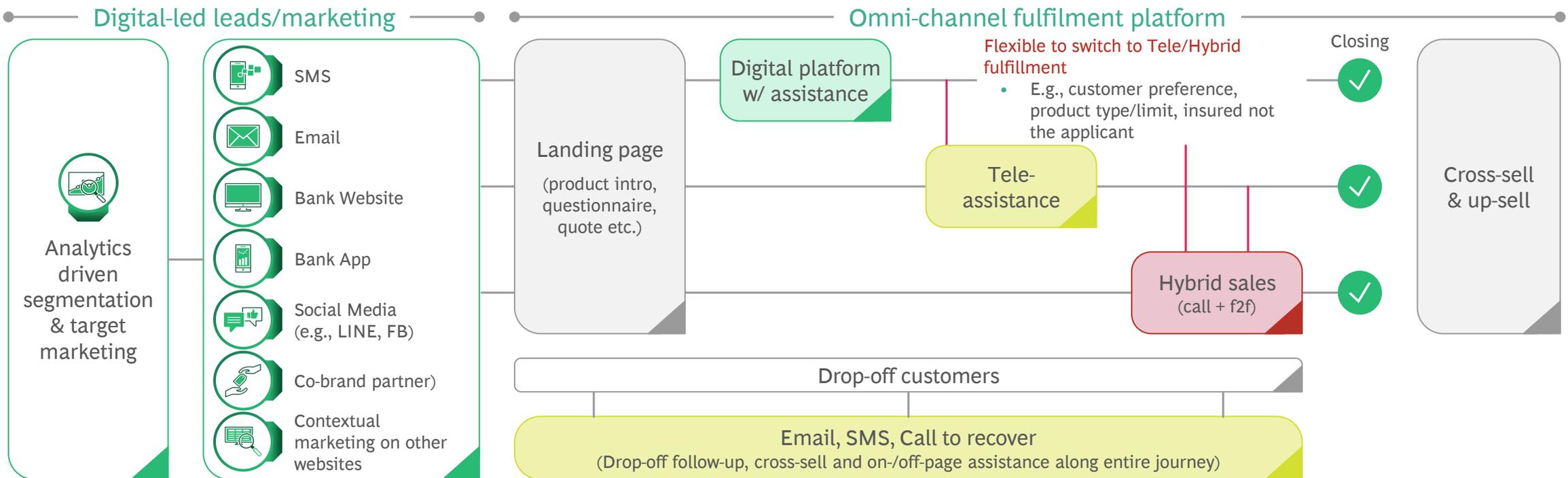
Improvement in conversions

# Omnichannel journeys | Digital marketing led customer lead generation fulfilled through the tele agent



- ✓ ~ 3x higher conversions
- ✓ Improved agent utilization - higher connects per agent

# Omnichannel customer journeys | Asian Bank is developing an intelligent integration between channels to ensure fulfillment



# Spanish Bank leveraging an integrated model to boost conversions and insurance sales

Developed 20 A/B tests to build a personalization model leveraging different bank transactional data



Which is the best contact channel? (email, SMS, ...)



Which message shall we transmit? (personalized- what is important for me, with pre-quote, ...)



Shall we offer a discount? (with / without discount)



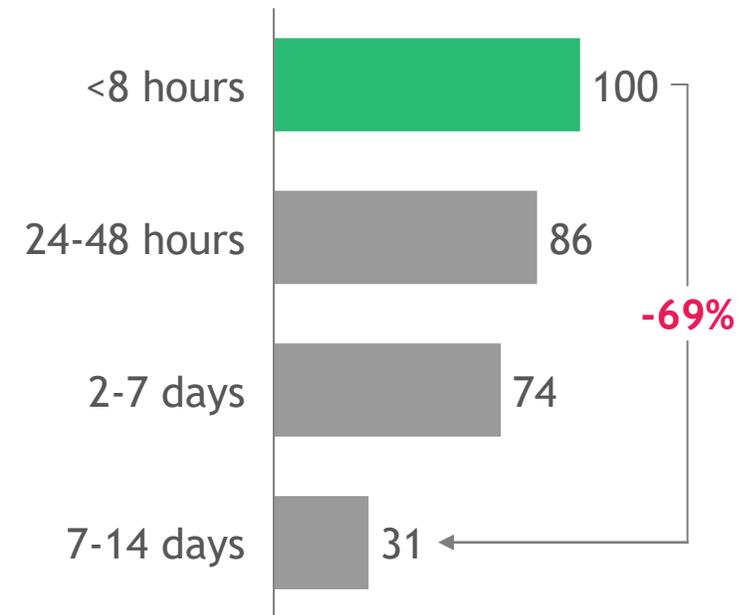
Which nurturing actions shall we make? (RM, contact center)



Whic type of monitoring shall we do? (individually, ...)

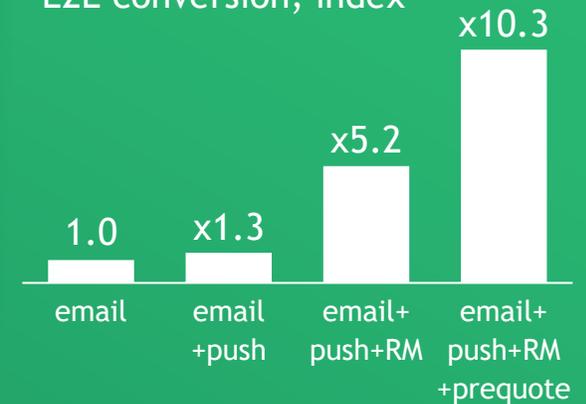
Bank ensured active leads management to avoid deterioration in conversion rates

Success rate as a function of time since lead origination  
Index 100: Management in <8 hours



## Results of A/B tests

E2E conversion, index



## Project impact



Average conversion rate

1. Depending on GDPR consents

Source: BCG experience

# In Summary



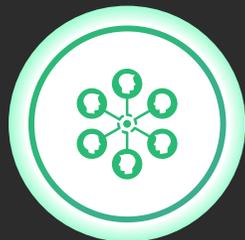
Large **value unlock** by enabling traditional models with **digital and data**



**Adoption is critical** - "human centric" design is a must coupled with "smart" nudges driven by analytics



Important to integrate **sales journeys** with **customer journeys** to build an **omnichannel model**



Collaboration between banks and insurers can help achieve **1+1 > 2**

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