



The Summit Summary September 2019

Focus on "Product" - one of the
4 Ps of Protection

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We held our second Protection Review Summit in association with iPipeline on 19 September 2019. At these interactive two-hour events, we are looking for change through debate. We tackle important, often controversial, industry issues.

iPipeline has long talked about the 4 Ps of protection which they call the:

- Perils
- Process
- Product
- Price.

At the second summit we focussed in on “Product”. Are products easy enough for advisers and consumers to understand? Is complexity an issue? Do we focus too much on price rather than products’ benefits and linked services? Are our products relevant for today’s customers? Is complexity an issue? What can we do to improve their appeal, and should we be doing advertising?

As usual we had 4 speakers to talk about the subject for 15 minutes followed by an hour long debate with our guests – providers, advisers and reinsurers.

Alisa Wallington and Charlotte Harrison, iPipeline

Charlotte started by talking about some of the great initiatives we’ve seen in the protection market recently which focussed on the positives of our products. She mentioned the 7Families Campaign, Women’s Futures and the work everyone is doing around mental health.

Her view is the industry is more approachable and engaging than it’s ever been, and this is because we know our customers better than ever before. But there’s still something missing.

Alisa talked about our obsession with cheap premium rates, a problem exacerbated by the portals displaying products in price order. This masks the high quality and real value of our products. Only 68% of people believe insurance companies will pay claims even though the real figure is close to 98%. And of course, most people don’t want to buy insurance in the first place, so telling them they only have to give up on a couple of coffees a week in order to afford one is not a message they want to hear.

More advisers should open up the conversations during the fact find stage and clearly articulate the risks involved and how the products can help, without resorting to scare tactics.

We need to focus and communicate more on the quality of our products, perhaps talking more about the added values services and the powerful stories surrounding the people who need to use them. Talk more about the flexibility and the way products can change to meet customer needs over time. It’s all about lifetime value.

Ian Henderson, AML Group

Ian was a popular speaker at the Protection Review Conference in July 2019, and we invited him back to expand on his “bottom up” approach to advertising and whether this could form a foundation for the industry to collaborate on a generic protection advertising campaign.

The old approach, “Top Down” is where a big brand uses traditional advertising to broadcast a message to tell customers what they should do. This doesn’t fit with the digital world and social media applications.

Today we want to ask our customers to start the conversation. To use emotional stories to create movements they feel included in. Ian mentioned the hashtag #MeToo as an example. He also talked about AirBnB and the power of referrals. So, the audience would co-create the messages. It wouldn’t be an agency telling us what to say, it would be a collaboration.

Ian discussed the possibility of creating a movement around a hashtag like “ProtectYourself” but build trust with the customer through participation rather than consumption.

He concluded by saying that a generic campaign of this nature would not cost the millions of earlier industry debates about generic advertising. It wouldn’t even cost hundreds of thousands. It’s achievable.

Ron Wheatcroft, Swiss Re

Ron started by challenging us on talking about products. This usually means we end up comparing features. Customers are interested in benefits and these go wider than the financial pay-outs. So, he prefers to look at whole propositions.

He took us through promoting protection to small-to- medium sized businesses and the benefits they could offer to their employees. He’s been working with various industry and Government groups and the Government is interested in putting together something simple for businesses – perhaps like a simple income protection product. Ron suggested eventually there could be a B2B equivalent of the movement oriented campaign Ian describes.

He asked how we could improve SME resilience. One advantage is that the point of contact in an SME is usually the business owner, rather than the Finance Director or HR Director in a big corporate. They may be more open to a conversation.

Ron felt advice for SMEs was fragmented and it’s an opportunity for advisers and providers to work together to grow the market.

Debate

On advertising

We discussed the idea of a hashtag #ProtectYourself campaign and Ian pointed out this might fall into the “top down” trap. It sounds like an instruction from the industry to the customer rather than asking the customer to create the story themselves. #ProtectMe might be better but how do we get the customer to come up with this themselves?

One adviser suggested the campaign should include social media influencers.

Another adviser asked what the call to action of the campaign would be. Where would we direct people? This was a cause of disagreement the last time the industry talked about generic advertising and we’d have to be careful this didn’t become a sticking point again.

On Prices

One adviser suggested the price argument was an illusion. Most people have no idea how much protection costs. What we need to do is get them to value themselves and see the value of the cover they need. He said some of his clients have forgotten about the real value of money and his approach is to ask them questions so that the client gets to the right answer themselves. “We don’t paint pictures for our clients. We get them to paint pictures for us.”

Another adviser argued that the focus on price allowed some advisers to dismiss protection as down market. It creates an arrogance about protection from some quarters.

A third adviser said if those advisers were “too posh to protect” then they should refer their clients to a protection specialist.

Another adviser highlighted the importance of an annual review and another opportunity to ask relevant questions. If protection is just a one of price driven transaction, then the adviser loses the opportunity to build a long-term relationship with their clients.

On SMEs

One adviser said that most of his clients had little awareness about the benefits they get from their employers. We should never assume that our customers know something because it’s likely they don’t. If we assume our customers know nothing, then we can give them the simple education they need.

Another adviser asked whether we should be more like the USA where they run special workplace marketing style events to promote protection to employees.

On product complexity

Advisers in the room pushed back against the constant advance of critical illness product complexity. It’s difficult to keep track of all the product changes that happen every few weeks and to keep advisers up to date. She asked if we should move to simpler critical illness products.

A provider countered by saying that when one protection company launched a simple 3 illness product, very few advisers recommended it because they said they had to consider the complex ones.

How do we fix this conundrum? We all agreed this was probably a debate for a future Summit.

Summit actions for the industry

These are the main actions for the industry coming out of the discussions at the Summit.

- Further consideration of a generic advertising campaign from a ground up perspective. Involving customers in the development and allowing them to come up with a meaningful movement that could go viral on social media
- More focus on the quality and value of our products and try and convince customers not to be preoccupied with price but to consider their own personal value and the price tag they’d attach to that.

- Need to support business better, especially SMEs with more collaboration between advisers, providers and companies.

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