

Study: Chat as the new communication channel for insurers

Baden, May 11th, 2022 – In a representative survey of 1,579 insurance customers in Switzerland, Germany, and Austria, the Institute of Financial Services Zug (IFZ) of Lucerne University of Applied Sciences and Arts examined just how widespread the use of chat channels is for communication with insurers. The IFZ Conversational Insurance Study 2022* also clarifies whether insurance customers prefer chatting with people or with machines trained through Artificial Intelligence. Together with Adnovum, Enterprise Bot, Spitch, and Swisscom, the Swiss software company BSI is a partner in the study, supporting it through its expertise.

Sophie Hundertmark and Prof. Dr. Florian Schreiber from the IFZ conducted the study, addressing the core question of whether insurance customers also want to use chat channels to communicate with their insurers. They investigated current usage behavior and which trends are emerging for the future. The underlying online survey focuses on insurance customers from the German- and French-speaking regions of Switzerland (1,358 people). Of those surveyed, 116 were from Germany, while 105 were from Austria. Among other methods, a chatbot can be used by anybody interested to find out about the results of the study: <https://eggheads.ai/chat/3122/>

Conversational insurance, the general term which gives the study its name, means dialog-based communication in the form of text, voice, or video. This can occur through chat with an employee of the insurer or can be automated through Artificial Intelligence (AI). Text-based chat with a real person is known as live chat. This either occurs through a chat window on the website, in the insurer's app, or through an external messenger. In contrast to this, customers write to a digital assistant (robot) via a chatbot. Analogous to chatbots, answers provided by a voicebot are generated by a digital assistant (robot) and not by a real person. However, verbal communication is involved here.

The preference is still for classic telephone and email communication channels

More traditional communication channels are preferred when it comes to Swiss participants in the study. An average of 22 percent prefer email when it comes to a variety of insurance-specific matters such as the provision of new insurance documents or general issues concerning insurance. Around 32 percent prefer to speak on the telephone with an employee. About 15 percent of Swiss participants surveyed would opt for live chat through an app or website of the insurer, while 17 percent would pick a chat with an employee via WhatsApp or Messenger. Chatbots are the choice of an average of six percent, and voicebots around two percent of those surveyed. Interestingly enough, the findings of the study indicate that the choice of communication channel does not depend on the issue involved. When it comes to the communication channel, customers appear to have a clear preference in the insurance context for the channel through which they take care of all

communication, ranging from general issues concerning insurance to specific contractual aspects such as the status of claims processing or questions concerning premium invoicing.

The survey also indicates that 49 percent of the Swiss surveyed have chatted at least once with an insurer (with the figure being 65 percent for both Germany and Austria). Those surveyed who had not previously done this explained that this was due to a lack of knowledge concerning where they could chat with their insurer or the fact that their insurer did not offer a chat option. It can be concluded from this that, in the case of most customers, a failure to use chats regularly is due to the low availability or visibility of such options.

Conversational insurance as an essential component of service automation

Bernhard Egger, Retail Community Manager at BSI, was involved in the study on behalf of BSI and assumes that the importance of chats will increase in future. "BSI supports the study because we are convinced of the increasing importance live chat, chatbots, and hybrid chat solutions will play in the customer service of the future. We are clearly aware in our projects of the increasing interest shown for successful solutions in this area because, on the one hand, service automation promises gains in efficiency and, on the other, customer expectations and habits change. Customer communication is increasingly moving from email to chat, a development that is already clearly discernible in the United States and Asia. We are currently embracing this change through integration of a chatbot solution in the BSI Customer Suite."

Chat(bot) potential: Younger people prefer chat

In summarizing the findings of the survey, Sophie Hundertmark comes to a similar conclusion: "The study clearly indicates that the chat channel is increasingly accepted by insurance customers. Consequently, it is recommended that all insurers consider this option for expanding or improving customer communication. Positive news in this respect is the fact that the chat channel is, from the point of view of customers, currently not a decisive criterion in the insurance context. This means that providers are currently not at any disadvantage vis-à-vis competitors if they do not yet have a chat channel. However, a change here cannot be ruled out in future, and the chat channel may become an important factor contributing to success. This applies in particular to younger target groups and those customers who place an emphasis on speed and the ease of use of insurance products."

The complete study can be downloaded at www.bsi-software.com/conversational-insurance-22

**1,579 people aged between 18 and 75 from Switzerland, Germany, and Austria were interviewed online for the study in the period from January 27th to February 8th, 2022.*

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About BSI

With its BSI Customer Suite, the Swiss software company BSI provides a comprehensive platform for the digital transformation of customer relationships. It offers everything needed for an outstanding customer experience in the retail, banking, insurance and energy & utility industries. At the core of the innovation is the company's many years of industry experience. In the insurance industry, BSI is considered the market leader for CRM software, which 130 banks, insurers and trading companies use to reach around 27 million end customers across Europe. Founded in Baden, Switzerland, in 1996, BSI has about 400 employees and 7 additional offices in Germany and Switzerland. BSI's customers include companies and organizations such as ADAC, Signal Iduna and HDI and other market-leading companies throughout Europe.

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