

BUYER PERSONA KEY TO BRILLIANT INSURANCE SERVICE

the foundation of winning know-your-customer strategies

Winning in the competitive world of short-term insurance relies on understanding the precise profile of the person(s) that insurers should be delighting with great customer service.

Fortunately, in a digital age with big data, “delivering tailored marketing and developing bespoke services for customers that you understand in detail is entirely possible,” says Nelson Madu, Head Information Technology at Coronation Insurance.

In short, building a well-rounded buyer persona strategy is a critical enabler of outperformance in today’s highly competitive insurance sector.

A buyer persona is a fictional representation of a company’s ideal customer. A buyer persona is based on market research including real data from both existing as well as prospective customers.

Buyer persona help companies focus their marketing effort on the most likely buyer by “painting a detailed picture of customer income, situations, motivations, challenges, information needs and preferred service formats,” explains Oluwafemi Badero, Head, Corporate team.

While buyer personas are fictional concepts created through a conceptual blend of real customers, potential leads, market research and an organization’s professional network, they can be extremely instructive in providing perspectives beyond the immediate brand

“Existing customers are a great starting point to identify what customers want and what works for them. Potential leads help identify how products and services can evolve to appeal to a broader customer set. Research and an organization’s professional network aid in developing a buyer persona aligned with the sector, market, or professional reality. explains Badero.

Coronation Insurance, for example, has seven buyer personas: ultra-high and high net worth, Upper and Mass Affluent, Middle and Floating Class Middle Class, and Emerging Clients. Clear and distinct profiles were developed for each persona. These profiles laid out the disposal income, population size, estimated savings, purchasing power, risk appetite, purchase and investment behaviour of each persona.

Buyer persona are important for building market and sales strategies as they highlight the most relevant traits of target customers. At Coronation Insurance, for example, our data showed that Middle Class and Emerging Client personas represented the largest groups, and also had the greatest potential for saving. These savings represented a significant opportunity for the insurance sector to target these segments with insurance products tailored to protect their unique wealth and assets profiles. As such, these buyer personas were particularly useful in “helping craft strategies designed to educate these segments, to use insurance and to preserve and grow wealth in contexts that are immediately and personally relevant to them,” explains Badero.

More generally, embarking on a buyer persona process allows organizations to:

- provide useful behavioral insights focused on customers’ genuine needs and concerns. Brands that solve the real needs and ambitions of customers develop an immediate rapport and quickly build trust.

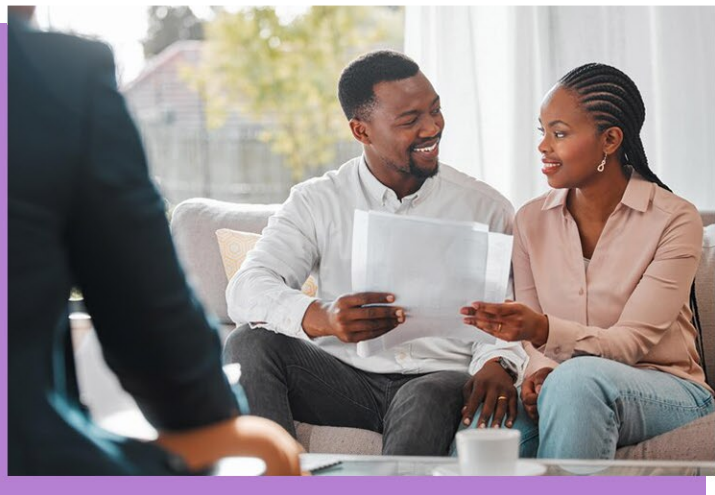


- leverage personal detail to develop clear, relevant and precisely targeted messages.
- deepen consumer engagement by familiarizing businesses with their customers' real challenges and concerns. Customers that feel understood are more likely to continue to engage over the longer term.
- build loyalty as customers gravitate towards brands that consistently solve their pain points and can be relied upon to assist them in their daily struggles.

The only way you can anticipate your future customers' needs is by understanding who they are. Madu believes that identifying and laying out "ideal customer demographics, jobs, income, personal circumstances, ambitions, challenges, pain points and preferences makes it significantly easier to craft solutions and service formats that your desired customers actually want."

Three conceptual frameworks that organizations often use to create buyer persona include investigation, interview and visualization. Thereafter, specific factors to consider when developing buyer personas include:

- Demographics such as age, gender, location, income, education and family circumstances.
- Psychographics like personality traits, values, interests, lifestyle and behavior patterns.
- Pain points like problems, challenges, obstacles and frustrations.
- Buying behavior such as how, when, and why customers make purchasing decisions, or prioritize the allocation of disposable and non-disposable income.



- Goals and motivations like what customers hope to achieve, what drives them to make a purchase, and what they value most.

Accurate buyer personas inform the most effective marketing strategies. They also provide a matrix to accurately measure the impact of marketing efforts.

By "providing real numbers on attraction, engagement and retention,, buyer persona can also be used to assess the effectiveness of strategies, tactics and even individual performance against sales and customer service targets" explains Badero.

Coronation Insurance, for instance, uses its seven persona profiles to understand how the brand is received and understood by different categories of existing and potential customers. This analysis also allows Coronation to measure the return on investment marketing collateral and other brand building elements. Finally, a clearly articulated persona strategy allows the effectiveness of sales teams to be assessed by their ability to cover each target persona, in addition to revenue generated.

Most importantly, clearly researched and properly articulated buyer persona provide staff a clear, human , picture of who their clients are and what they need. This allows organizations to develop a personalized view of the client, inspiring truly client-led approaches to product development and service provision.

The Accenture survey, titled 'The Voice of the Customer: Identifying Disruptive Opportunities in Insurance Distribution', categorizes insurance customers into three groups based on their preferences and behaviors. These groups are Nomads, Hunters, and Quality Seekers.

1. Nomads are the youngest and fastest-growing group, comprising 39% of the respondents. They are highly digital and value personalization and flexibility in their insurers. They are willing to share their data with third-party vendors to receive relevant services and prefer using automated systems to receive advice or services that add value to their lives. To cater to this group, insurance companies should develop digital distribution models, automated advice systems and make mobile and social channels available for customers to receive information and file claims. Partnerships with non-insurance providers and InsurTechs may also be helpful.

2. **Hunters**, on the other hand, make up the smallest group with just 17% of the respondents. They are the most price-sensitive group and prefer human interaction rather than dealing with robots. They are not completely closed to insurance innovation, and they value data-driven insights from their providers. Insurance companies looking to attract Hunters should focus on competitive pricing, encourage agents to engage with them regularly, and implement process automation and other tools to help free up agents' time for personalized customer

3. **Quality Seekers** comprise 44% of the respondents, and they are looking for an insurance provider they can trust to provide high-quality service. They are willing to share personal data with insurers they trust and expect real-time guidance to avoid risk. Like Nomads, 66% of Quality Seekers are open to innovation and receiving computer-only insurance advice. To cater to this group, insurance companies should automate routine procedures to free up resources for personalized customer service, communicate their commitment to data security and high-quality service, and provide a good customer experience to build customer trust and loyalty.

Source:<https://www.irisidentityprotection.com/blog/insurance-comparison-battle/>

Below is a step-by-step guide to creating a buyer persona:

1. Research your target market

Industry: Determine if there are specific industries that are best suited for your offering.

Product or solution: Decide if your offering is a complete solution or a point product.

Buying process: Identify if the sale involves an approver, decision maker, recommender, and influencer.

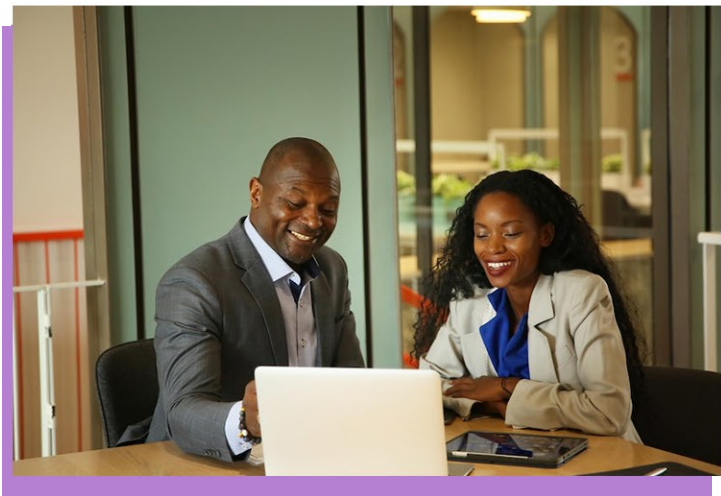
Distribution model: Determine if your offering will be sold directly, indirectly, or through inside sales.

Price point: Find out the average selling price and sales cycle. Technology adoption: Determine if your market is new and focused on early adopters or mature.

Size of organization: Identify if there's a specific size (in terms of revenue, assets, or employees) of the organization/individuals that you're targeting.

2. Answer the basics

- Persona name
- Location
- Marital status
- Educational background
- Social status



3. Career and income

- Determine their buying power.
- Find out how much they earn, save, and invest.

4. Behaviors and interests

- Understand their thought process.
- Identify their hobbies and interests.

5. Pain points (the most critical)

- Determine exactly what they need that your product can address.
- Compare your brand to similar brands.
- Identify your differentiating factor.

Illustrating the buyer persona featuring Chimamanda

Background and Demographics

Chimamanda is a responsible and family-oriented individual who prioritizes the financial security and well-being of her loved ones. She is in her mid-thirties and lives in a suburban area where homeownership and family values are common. Chimamanda has a stable job and is committed to providing for her family's needs.

Goals and Motivations:

Chimamanda's primary goal is to secure the financial future of her family. She wants to make sure that her spouse and children will be financially protected in case of her unexpected demise. Chimamanda is motivated by the peace of mind that comes from knowing her family will be financially supported even when she's no more.

Challenges and Pain Points:

Chimamanda faces challenges such as the unpredictability of life, the potential burden of outstanding debts, and the fear of leaving her family in a vulnerable financial situation. She may also have concerns about the affordability and complexity of life insurance policies, as well as the difficulty in navigating the options available in the market.

Preferred Channels and Behavior:

Chimamanda is an active internet user and relies on online research and recommendations from trusted sources to make informed decisions. She seeks out information on personal finance, family planning, and insurance-related topics through search engines, personal finance blogs, and online forums. Chimamanda appreciates clear and transparent communication and values testimonials and reviews from other policyholders

Our Strategic Brand Approach with Chimamanda

If you want to effectively communicate with and engage Chimamanda, it is important to focus on the following key messages and approach:

● Financial Security and Peace of Mind:

Highlight how life insurance can provide a safety net that ensures her family's financial security in the face of unexpected events. Emphasize the ability of life insurance to cover outstanding debts, mortgage payments, and future expenses such as education.

Family Protection:

Address Chimamanda's concerns about the well-being of her loved ones by highlighting how life insurance can provide for their future needs and help maintain their current lifestyle in her absence.

● Simplicity and Affordability:

Clearly explain the different types of life insurance policies available, their features, and the benefits they offer. Use simple language and avoid jargon to make the information easily understandable. Emphasize the affordability and flexibility of life insurance options, and offer examples and calculators to help Chimamanda estimate costs based on her needs and budget.

● Trust and Reliability:

Share testimonials and success stories from satisfied policyholders who have benefited from life insurance. Highlight the financial stability, reputation, and longevity of your company to instill trust in the reliability and credibility of your services.

● Personalized Consultations:

Offer personalized consultations or online tools that allow Chimamanda to understand her specific life insurance needs and help her choose the right policy for her family's situation. Provide guidance on policy selection and coverage amounts based on her unique circumstances.

By understanding and targeting buyer personas like Chimamanda, insurance providers can create marketing campaigns and offerings that address their specific concerns and needs, leading to increased engagement and conversion rates.