

A large, stylized orange chevron pointing to the right, serving as a background for the text.

High performance. Delivered.

CMOs: Time for Digital Transformation

Podcast Transcript

Speaker: Erik Sandquist, Jean-Francois Gasc, Andrea Moneta
Transcript

Hello and welcome to the Accenture Digital Insurer podcast series. I'm Erik Sandquist, Accenture's North American Insurance Distribution & Marketing Lead, and I'm here today with Jean-Francois Gasc, our Insurance Management Consulting Lead for Europe,

Africa and Latin America, and Andrea Moneta, Insurance Strategy Lead for Europe, Africa and Latin America and Insurance Distribution and Marketing Lead, globally. We will be discussing the challenges and opportunities that insurance CMOs must confront in this environment of non-stop digital disruption.

Erik Sandquist: Jean-Francois and Andrea, thank you very much for joining us.

Jean-Francois Gasc: My pleasure

Andrea Moneta: Likewise

Erik Sandquist: Jean-Francois, perhaps I can ask you to start us off. What do you believe to be the current challenges that insurance Chief Marketing Officers are facing, globally?

Jean-Francois Gasc: There are basically two major challenges. Digital disruptors set customer expectations much higher. Companies such as Google, Amazon contributing to raised expectations.

Also much easier for customers to switch providers and as a result, insurance CMOs recognize that their roles will be profoundly changed by digital technologies over next 5 years. We found that only 53 percent feel assured they can meet performance objectives of their organization. This is actually fewer than their peers in any other surveyed industry. And there are probably two key factors to that. Insurance marketing executives only partly satisfied with returns from investments in marketing and distribution channels. And only 64 percent think they're doing a good job on delivering effective customer experiences for their company — however 74 percent say it is essential.

Erik Sandquist: So, who within the insurance organizations are driving the response to these challenges? Are the CMOs increasingly finding themselves out of the picture from a digital innovation standpoint, and if they are, how can they regain the initiative?

Jean-Francois Gasc: The Economist Intelligence Unit survey actually found that one-third of C-suite executives say CEOs are responsible for digital innovation in their organization. Chief technology officer: 23 percent. And CIOs 22 percent. And CMOs only 1 percent of C-Suite executives say CMO is responsible for digital innovation in their company. For CMOs to regain the initiative, they need to be change agents to help organization embrace broader digital opportunity, protect against broader digital threats

Erik Sandquist: So, it sounds like insurance CMOs are really at risk of being sidelined in their companies', digital transformations when because of their understanding of the customer, the brand they should be positioned to lead these efforts. Let's talk about how these findings relate to insurance. How did the

findings match up with the Consumer-Driven Innovation Survey that Accenture recently carried out with insurance consumers globally?

Jean-Francois Gasc: We find a good match. Our research confirmed our respondents' suspicions of **not meeting customers'** expectations of relevant, seamless and consistent experiences. The survey also showed that customers want personalized service and want access to a range of channels that meet their needs. And many insurers not able to deliver on demand. As a result, about 30 percent of insurance customers feel no loyalty to their providers, and are dissatisfied with their offering, would not buy more from them and would not recommend their services and products.

Erik Sandquist: So it's quite interesting that changing this picture will demand that insurance CMOs drive a digital transformation with a customer-focused orientation. Perhaps I can bring you in, Andrea. What do you think of the fact that only 53 percent of Insurance CMOs feel confident of their ability to meet the performance objectives of their companies?

Andrea Moneta: Marketers in insurance appear less positive about organization's performance across two marketing capabilities. One is customer analytics and Digital orientation. Only 39 percent satisfaction with performance in analytics capabilities. Executives struggling with envisioning digital transformation—one in four CMOs across industries cite lack of critical technology as chief barrier to digital integration

Only 19 percent insurance marketing executives believe company will be known as a digital business in five years

Erik Sandquist: And so how will the CMO role change over the next five years, based on the growing threat of digitally savvy players from other industries who are willing to push the boundaries to meet customer expectations?

Andrea Moneta: I think we can expect to see the following: Analytics skills emerging as a core marketing competency; the rise of mobile; the evolution of marketing into more of an on-demand information-provision function; the merger of sales, marketing and customer service into a single function and last but not least, the growth in the size of digital budgets as a proportion of overall marketing spend.

Erik Sandquist: So, Jean-Francois, do you think that are insurers investing heavily enough in digital channels to optimize performance?

Jean-Francois Gasc: I agree with the vision. 30 percent of insurance CMOs expect digital marketing budget to rise by more than 5 percent in the next fiscal year. The question is, is that enough? The bar is high from other industries for digital customer experiences and expectations. Insurers certainly have their work cut out for them in that field.

Erik Sandquist: So, how can insurance CMOs step up to the challenges they are facing, Andrea?

Andrea Moneta: CMOs' have and understanding of brand and customer. They need to be natural leaders and be able to envision transformation of the entire customer experience in sales, service, products and channels. Collaborating with other C-suite executives, to draw on external partners to boost internal expertise and insurance CMOs can be effective change agents.

Jean-Francois Gasc: They will also need to introduce a new generation of digital natives filling emerging roles like Chief digital officer, Chief customer officer, Chief experience officer. And CMOs need to position themselves more assertively in the customer experience realm to elevate status within the organization and become key players in digital transformation

Erik Sandquist: What do you think, Jean-Francois? As insurers struggle with the imperatives of customer acquisition, customer retention and digital transformation, what should insurance marketers take note of that is important to the success of digital high performers?

Jean-Francois Gasc: We have seen in our research that high-growth companies have significantly invested in analytics, digital channels between 2012 and 2014. High performers place great importance on data: 83 percent, and analytics: 73 percent of them. Digital's potential stretches beyond new distribution channels—it represents a wave of transformational opportunities—and

threats—across ecosystems where insurers compete.

Erik Sandquist: OK, well, let's have a look at the recommendations for CMOs and the ways in which they can position themselves as drivers in their organization's digital transformation. Jean-Francois, how about we start with you?

Jean-Francois: We see three points. Firstly, insurance marketers should really value close-working relationships with other C-suite executives and foster collaboration leads to better results. Secondly, CMOs should be at the forefront of innovation and play a leading role into transforming the company into a digitally integrated enterprise. And thirdly they should own the customer experience. We do find in our research that high growth companies have CMOs owning the customer experience and only 37 percent in low-growth companies.

Erik Sandquist: Thanks Jean-Francois. Andrea, can you add any other recommendations for

insurance CMOs based on our research results?

Andrea Moneta: First let me say that insurers and CMOs need to integrate channels with real-time analytics. They need to act on insights and treat IT as strategic partner. And they need to hire talent with skills in analytics, mobile and digital, integrate across organization to produce different outcomes. Marketers want integrated, end-to-end customer experience driven by analytics

OUTRO: To both of my colleagues, thank you very much for your time here. You've been listening to Jean-Francois Gasc and Andrea Moneta discuss the role of the insurance CMO in driving digital transformation. Thanks for joining us for this edition of Accenture Digital Insurer podcasts. If you'd like more information on how Accenture can help, please visit [Accenture dot com forward slash digital insurer](http://Accenture.com/digitalinsurer) or join the conversation at [hashtag digital insurer](https://twitter.com/digitalinsurer).

For Accenture Insurance, I'm Erik Sandquist. Thanks for listening