We surveyed 2400 customers in six European countries to determine attitudes, values, experiences and behaviors in the insurance context.

Method: Online questionnaire (quantitative, 400 per country) and focus groups (qualitative)

Our study respondents are targeted toward the "customer of the future" and should represent about 40-50% of population.

In cooperation with:

University of St. Gallen
How customers differ - types

**Each customer type has distinctive and diverse needs regarding products, services and relationships**

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Percentage of total</th>
<th>Key theme</th>
<th>What do they seek from and see in insurance?</th>
<th>T³ Success Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Transparency</td>
<td>27.1%</td>
<td>I want somebody I trust</td>
<td>I want competent help for my personal needs</td>
<td></td>
</tr>
<tr>
<td>Transparency Technology</td>
<td>17.6%</td>
<td>I want the best bargain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency Technology</td>
<td>8.2%</td>
<td>I want a great product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency Technology</td>
<td>26.7%</td>
<td>I want competent help for my personal needs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust Technology</td>
<td>20.3%</td>
<td>I want to be left alone</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: own survey data, n=2400
Customer types are spread fairly evenly when using conventional demographic segmentation criteria.

**Customer types by age**

- 18 - 29 years: 19%, 30%, 8%, 13%, 30%
- 30 – 39 years: 19%, 26%, 10%, 18%, 27%
- 40 – 49 years: 21%, 27%, 7%, 20%, 26%
- 50 – 59 years: 21%, 23%, 7%, 19%, 29%
- 60 + years: 22%, 29%, 9%, 19%, 22%

**Customer types by income**

- Very low income: 20%, 29%, 9%, 14%, 28%
- Low Income: 20%, 26%, 7%, 17%, 30%
- Lower middle class: 20%, 29%, 9%, 18%, 24%
- Upper middle class: 22%, 26%, 8%, 19%, 24%
- High Income: 16%, 23%, 12%, 22%, 27%
- Very high income: 18%, 23%, 11%, 29%, 18%

Source: own survey data, n=2400

**Traditional segmentation criteria do not reflect the difference in customer needs described by types**
Cultural differences across Europe lead to a widely divergent spread of the customers types per country

Source: own survey data, n=2400

Considering the huge difference in customer needs described by types, a single European marketing strategy is highly unlikely to work
Insurers need to account for the varied attitudes, values and behaviors in today’s markets to reach tomorrow’s customers

Summary of Findings

- Overcoming the animosity issue is of central importance
- Customer price sensitivity is a convenient excuse for inaction
- Product innovation is of less importance than clarity and honesty
- A single marketing strategy is unlikely to work because THE uniform customer does not exist

Customer centricity and customer value mean asking what the customer expects from the insurer
The "active and informed" customer can best be seen in the need for diverse and transparent sources of information.

Customers need transparent (internet) and trustworthy (peer groups and advisors). Self-serving information like advertising is ignored.
With the young generation, the Internet and social networks seem to change the information game

For young singles, peer groups are the most important information source

- High importance of price comparison via Internet
- High importance of recommendation from family and friends
Changing market dynamics – questions to ask yourself:

- Do you really know your customers? Today and how they are changing?
- Are you investing in a climate of trust and transparency, internally and externally?
- Do you reward flexibility and innovativeness?
- How are you preparing your team for a future of technological, economic, and cultural change?
- Do you have a vision for the future?
You can find the study at:

http://ibm.com/gbs/insuranceperspectives